

The Author

Writer Wallop Scores
With Yankees But Still
Frets About the Future

He Longs to Write "Serious"
Books, Clings to Insurance
Sideline for Security

The Sunken Garden Sinks

By DANIEL M. BURNHAM
Staff Reporter of THE WALL STREET JOURNAL

OXFORD, Md.—Milwaukee, St. Louis, New York and Chicago baseball fans may cheer their heroes in the current real life pennant races, but a mythical race of a few seasons back still holds far more interest for one man here.

While Douglass Wallop is a staunch baseball buff, nothing in the current races could compare for him—with a pseudo struggle in which the Washington Senators nosed out the New York Yankees in the last game of the season to win the American League pennant. That pennant was won, not in a baseball park, but in the pages of a book—Mr. Wallop's *The Year the Yankees Lost the Pennant*.

The book is a Faustian fantasy about a baseball fan turned Devil's disciple who drives the Senators to their first pennant in 1919.

Economics is, after all, mostly a winter of people at work. One person's job is inspected here; others will be given a glance in coming weeks.

Published in 1954, "Yankees" marked the 37-year-old Mr. Wallop's first major success as an author. It has reached more than 2.5 million readers through the Book-of-the-Month Club, the Reader's Digest Condensed Book Club and sales (15,000 copies) over book store counters. Revised and retitled *Damn Yankees*, Mr. Wallop's story tonight will be performed for the 92nd consecutive time on Broadway, longer than any other current offering.

There's more. The play has been purchased by Warner Brothers Pictures, Inc., for a movie. And negotiations now are under way with Pocket Books, Inc., to turn out a paper cover edition of the novel.

In publishing circles, this is known as "hitting five stars of the six-star jackpot" (the book has never been serialized by a magazine). And around the Wallop household here most events now are dated as either "before Yankees" or "after Yankees."

Uncounted Thousands
It probably would be incorrect to call Doug Wallop typical of the uncounted thousands of people who, as author Noah Webster says, "compose or write something as a book, story or document." Authors are about as diverse a group as you can find. They include such widely varied craftsmen as the venerable Somerset Maugham and the recently deceased Joe Gould, the Greenwich Village inhabitant who spent a lifetime gathering the several million words of his unpublished *Oral History of Civilization*. Also included are housewife Grace Metalious, whose *Peyton Place* currently is among the nation's best sellers, and James W. Lump, full-time advertising manager of Union Electric Co. in St. Louis. Mr. Lump, writing under six different pen names, such as Amos Hatter, holds something of a literary record. He once whipped out 22 novels (all paperbacks) in less than four years, writing only on evenings and on weekends.

Just how many more writers, either successful or unsuccessful, there are than there were a decade or two ago, is unknown. But book publishers generally agree they are being besieged by more authors and would-be authors than ever before.

Publishers, however, are turning out only about the same number of new books as in the 1920's. "I suppose that means there are more frustrated authors than ever before," observes 37-year-old William Jovanovich, president of the publishing firm of Harcourt, Brace & Co.

Relaxing in a much-used lawn chair under a shady Dutch elm in back of his house, Doug Wallop looks more like a college athlete than an author, despite traces of premature grey in his close-cropped brown hair. Muscular and sun-tanned, he wears an open-collared, plaid sports shirt, rolled-up khaki trousers and moccasins without socks.

His wife, Lucille, a pretty, brown-eyed woman, dressed in a blue, square-necked dress and wearing a red bandana around her hair, steps from the house to serve coffee.

Where Did the Money Go?

In the midst of such domestic atmosphere Doug talks in a mild, measured voice of his new life as an author and, in particular, of the singular success scored by the Yankees, as his book is known around the family.

"It's something I never thought would happen, sometimes I wonder how it happened and often wonder where all the money from it went," he says.

Doug firmly refuses to talk about his income in dollars and cents, a not unusual reticence for authors, painters and inventors who, once they have made the public eye, fight a lonely battle with fund-seeking charlatans, cranks and various entrepreneurs—all apparently convinced that all authors are millionaires. Other sources, however, estimate his earnings from the Yankees so far at about \$130,000—with more to come from movie and reprint rights.

Where part of the money went is not hard to discover.

There is the two-story, shabby-surrounded, grey-shingled house sitting on a small point of land overlooking, on one side, the broad Tred Avon River, and on the other, a rippling Chesapeake Bay inlet filled with graceful sea-going sloops and motor boats. In the inlet are moored a 21-foot white-hulled Chris-Craft cabin cruiser and a blue and white,

Please Turn to Page 7, Column 1

What's News—

Business and Finance

COTTON CLOTH prices have softened again after four months of relative stability. Quotations for a big-volume cotton broadcloth, used in inexpensive shirts and underwear, have slipped to 17½ cents a yard. That is a quarter-cent below the level prevailing since late spring. Mills continue to quote the pace-setting 80-square print cloth at 17½ cents a yard—an eight-year low. But transactions have occurred in the "second-hand" resale market at 17½ cents a yard.

Renewed pressure on cotton fabrics comes at a time when mill men thought they were about to pull out of a year-long slump. Industry sources say further production cutbacks may be necessary to stabilize the price situation.

The Treasury's short-term borrowing costs set a new 24-year high for the third consecutive week. Its weekly issue of 91-day bills was sold at an average yield of 3.633%, compared with 3.575% last week. In addition to the \$1.6 billion of bills, the Treasury was tapping the money market for another \$3 billion through an offering of three securities bearing 4% interest.

Custom smelters reported slackening demand for copper at the price of 26 cents a pound they had set Friday after sales picked up. In London, spot copper yielded 1½ cents of the gain of 2½ cents a pound it had scored late last week. But an aftermath of last week's price recoveries showed up in the quotations of two major African producers of the metal. Both advanced their prices, thereby canceling reductions made a week ago. At the same time, Britain postponed plans to sell 27,000 tons of stockpile copper because of the "disturbed state" of the market.

Industrial production maintained a steady pace in August, the Federal Reserve Board reported. Its index of the output of the nation's mines and factories held at 144% of the 1947-49 level on a seasonally adjusted basis—the same as in June and July.

Steel mills operated at 81.9% of capacity last week and production amounted to 2,097,000 tons.—This was an increase of 24,000 tons over output in the preceding week, which had included Labor Day. Operations this week will ease to 81.1%, with production estimated at 2,076,000 tons, the American Iron & Steel Institute reported.

Shoe manufacturers were exhorted to raise their prices by the 50,000-member A.F.L.-C.I.O. Boot Workers Union. It released a survey showing shoe prices declined 3% at the factory level in 1947-56, compared with a 42% rise in wholesale prices of all commodities. John J. Mara, president, said an industry that attempts to function with depressed prices and profits is a drag on the economy.

Carroll M. Shanks, president of Prudential Insurance Co., urged the Federal Reserve System to step harder on the credit brakes to halt inflation—though this may mean running "the risk of producing some unemployment and possibly even plunging us into a recession." In a speech at Detroit, Mr. Shanks said the continued rise in prices indicates Federal Reserve controls "must be applied more steadfastly and for a longer period."

Bethlehem Steel plans to spend \$358 million in expanding Youngstown Sheet & Tube's capacity in the Mid-Continent area if the merger of the two companies is approved. This was disclosed by Arthur B. Homer, Bethlehem's president, in court affidavits filed in opposition to the Justice Department's suit to enjoin the proposed merger.

Company Notes—
Gulf Oil Corp.—Said it may quit complying with the Government's voluntary oil import curtailment program if quotas set up among various importers are changed.

Rayonier, Inc.—Clyde B. Morgan, president, disclosed third quarter earnings will fall "somewhat below" 35 cents a common share, but said he would recommend continuance of the 35-cent common dividend at the October meeting.

R. J. Reynolds Tobacco Co.—Third quarter sales and earnings are "considerably ahead" of a year ago, said E. A. Darr, president. In the third quarter last year, Reynolds netted \$1.58 a share on \$248 million sales.

Markets—
Stocks—Volume 1,290,000 shares. Dow-Jones Industrials 478.08, off 0.61%; rails 131.71, off 0.76%; utilities 67.86, up 0.41%. London—Financial Times common share index 193.2, off 0.5.
Bonds—Volume \$2,891,000. Dow-Jones 40 bonds \$5.21, up 0.02; high grade rails \$5.03, off 0.13; speculative rails \$2.93, off 0.02; utilities \$4.39, up 0.13; industrials \$8.50, up 0.09.

Commodities— Dow-Jones futures index 156.69, off 0.89; spot index 161.27, off 0.60.

Earnings—

7 mos. July 31: 1957 1956 1955 1954

Nash. Chaff. Rev. 437,911 \$1,304,943 \$1,781,918 \$1,781,918

(Today's Index on Page 2)

World-Wide

FAUBUS WAS SILENT on withdrawing troops; Eisenhower hit Democratic critics.

The Arkansas governor secluded himself in his official residence in Little Rock, and an aide reported he was "resting." Only about 30 National Guard soldiers took up positions at Central High School in the capital when classes resumed. No Negro students came to the scene or tried to enroll.

Well-informed sources said Gov. Faubus probably will pull out the guardsmen before Friday, rather than wait to answer a Federal court summons that day. Faubus said Sunday he might withdraw the troops "under conditions of tranquility."

The President's headquarters in Newport, R. I., struck back at a group of top Democrats who accused Eisenhower of failing to use his leadership in the Arkansas dispute. Press Secretary Hagerty asserted "the President is concerned with solutions, not with political speeches." He added: "I think it would be funny if it were not so pathetic to see the Democratic Advisory Committee trying to play politics with the situation in Little Rock."

The Army shifted its November 16 football game with Tulane University from New Orleans to West Point because of the Louisiana law requiring segregated seating in stadiums.

SENATE INVESTIGATORS will resume their inquiry into Hoffa's activities next week.

Chairman McClellan announced the new hearings are tentatively slated to begin a week from today, and that the Teamsters Union vice president will be invited—but not required—to be present. This apparently will leave Hoffa free to campaign for president of the union.

In Detroit, Hoffa said he would have to check with his attorney before deciding whether to attend the hearings. "I don't know what it's all about yet," he added.

Last week Hoffa asked the committee to refrain from calling on him for testimony from September 18 to October 10, and his attorney said he would be busy with convention affairs during that time. Teamsters will open their meeting in Miami on September 30.

In New York, the A.F.L.-C.I.O. Ethical Practices Committee met to go over charges the Teamsters are corruptly dominated. A member said another session will be held Monday before a report on the "facts" of the case, but no recommendations, is submitted to Federation chiefs. The Teamsters have brushed off the charges which could lead to their expulsion from the A.F.L.-C.I.O.

A NATIONWIDE STRIKE of 33,000 telephone equipment installers went into effect.

Their picket lines turned back many of the 150,000 women who operate switchboards in 44 states and the District of Columbia, but supervisors took over most of the work. There were some delays in long-distance service.

The walkout had little effect on the general public since from 85% to 90% of the nation's phones are mechanically dial operated and can function indefinitely without attention.

In New York City, a Federal mediator stepped into the stalled bargaining talks in an effort to bring together the striking Communications Workers of America and Western Electric Co. At issue are wages, travel allowances and whether a new contract should run for one year or two.

Armed forces under army commander Sarit Thanarat took control of Bangkok, Thailand's capital, as tanks rumbled out and took commanding positions at all intersections. The army radio said the coup was bloodless. The whereabouts of Premier P. Pibulsonggram and his government was not known.

Poland and Yugoslavia supported the policies of Russia on Syria and Germany in declarations signed by Polish leaders Gomulka and Cyrankiewicz before they ended a seven-day Belgrade visit. But Polish and Yugoslav Communist leaders balked at creation of a new cominform or cominform. Yugoslavia recognized Poland's frontier along the Oder and Neisse Rivers "as the definitive Polish-German border."

British Foreign Secretary Lloyd and Dulles conferred on disarmament, Soviet penetration of the Mid-East and other issues confronting the 12th U. N. General Assembly, which convenes today. Details of their New York talks were not disclosed, but Britain reportedly is supporting U. S. opposition to the seating of Red China in the assembly.

The Civil Aeronautics Board assigned seven investigators to inquire into the Sunday night crash of a Northeast Airlines plane that killed the pilot, copilot and eight passengers. Fourteen others survived the smashup of the Boston-to-New York DC-3 in Apponaugsett Swamp just short of the New Bedford, Mass., airport. Six of the dead were New Yorkers.

An Israeli spokesman charged Soviet agents kidnaped Eliyahu Hazan, a member of the Israeli embassy in Moscow, 10 days ago and attempted to make him spy for Russia. He reportedly was released 26 hours later.

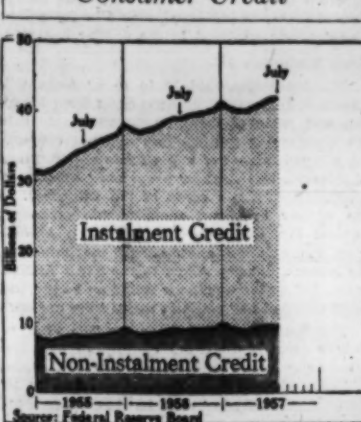
An explosion and fire wrecked the top floor of the big Albers Milling Co. plant at Oakland, Calif., injuring at least 18 people. Near Dover, N. J., an experimental rocket engine exploded while being tested at the Naval Air Rocket Test Station at Lake Denmark. One man was killed and six seriously burned.

Hurricane Carrie, still packing winds of 115 miles an hour, brushed past Bermuda and moved generally north at 13 miles an hour. The Weather Bureau said the storm probably will stay east of the U. S. mainland.

The criminal libel trial of Confidential magazine went to jury after six months of testimony in State Superior Court in Los Angeles. Deliberations are due to begin this morning.

An atomic bomb suspended from a balloon over the Nevada desert was exploded with a bluish flash seen 300 miles away in Los Angeles. The energy yield of the device was believed equivalent to nearly 40,000 tons of TNT.

Consumer Credit



RISE TO \$29.7 billion at the close of July, outstanding consumer credit increased by \$120 million during the month. The month's gain of \$255 million in instalment credit to \$23.7 billion was offset in part by a decline of \$235 million in non-instalment credit to \$6.0 billion. Compared to a year earlier the total was up \$2.9 billion; instalment credit gained \$2.4 billion and non-instalment credit climbed almost \$300 million.

Adenauer's Victory
Boosts Prof. Erhard's
Chances as Successor

Vote Viewed as Backing Economic Chief's Free Enterprise And Anti-Inflation Policies

By PHILIP GEYELIN and G. E. WILLIAMSON
Staff Reporters of THE WALL STREET JOURNAL
BONN, Germany—Konrad Adenauer, 81-year-old Chancellor of West Germany, was the big winner in Sunday's smashing victory for the Christian Democratic Union, but also in the winner's circle was a stocky, white-haired Bavarian economics professor turned politician. His name is Ludwig Erhard, minister of economics in the Adenauer government and master designer of Germany's dazzling post-war economic recovery.

Scanning the election returns yesterday U.S. and German political seers agreed that after the aging Dr. Adenauer himself, Professor Erhard may have profited most politically from the Parliamentary voting that gave the Adenauer forces a third four-year term in office.

The result will be to strengthen Dr. Erhard's hand in pushing his free-enterprise, anti-inflation economic policies in the future and to increase the economics minister's stature as a possible successor some day to the elderly Dr. Adenauer.

Chief significance of the balloting from the U. S. point of view, of course, is its impact on western defense planning. Chancellor Adenauer has been a staunch advocate of German rearmament and membership in the North Atlantic Treaty Organization while his Socialist opposition threatened to weaken German ties with West Europe in the interest of wrangling a deal with Russia to give up its hold on east Germany.

Though the Adenauer victory had been predicted, officials at the U. S. Embassy here yesterday were visibly relieved at the results. "I never thought the old man would lose," said one weary American who stayed up most of the night to watch the late returns and dispatch hourly returns to Washington, "but it's a load off my mind."

Few Changes Expected

The consensus among most Western observers, shared by German experts, was that the landslide Adenauer triumph, boosting his party's complete sway over the Bundestag, would bring little change in policies at home or abroad. "The Germans voted for more of the same—and that is what they're likely to get," said one top U. S. observer. But if the election was a sound endorsement of Dr. Adenauer's tough anti-Russian foreign policy, it was even more a ringing mandate for more of Dr. Erhard's free enterprise, anti-inflation economic policies, most authorities believed.

"Prosperity was the big issue," said one observer, "and when the Germans think of prosperity they think of Erhard."

That the economics minister was a key figure in the nationwide campaign is evident by the fact his boss, Chancellor Adenauer, assigned him the biggest campaign lead—he addressed 90 major rallies compared to only 64 for the party's venerable chief attraction, Mr. Adenauer.

All this activity and the stunning election results together strongly suggested to most political observers yesterday that the jovial, cigar-smoking economics minister has emerged from the parliamentary balloting with increased popularity and a good deal more strength in party councils.

"There's no question about it," said one American yesterday, "Erhard has greatly boosted his stock." One upshot of this is a corresponding boost in the chances that Professor Erhard might someday succeed octogenarian Adenauer in the chancellor's chair.

Erhard Has an Edge

Dr. Adenauer has carefully avoided naming an heir and it's agreed that the race is wide open. Says one top Western diplomat here: "It's a real grab bag and I could think of any of a half dozen likely candidates after the old man is gone."

But he added significantly: "If I had to give anybody an edge after this election I'd pick Erhard as a slight favorite at the moment."

Perhaps as important is the impact of Professor Erhard's boosted prestige on government policy. Despite the staggering Socialist setback, pressure is strong for welfare schemes, easier money, higher wages and price boosts in Germany, and decisions on some of these issues have been postponed until after the election.

Dr. Erhard will need all the power he can muster to hold the line against inflation in the mounting months just ahead, most economists believe.

Please Turn to Page 10, Column 2

Commodity Letter

A Special Staff Report on Price
and Production Trends
Affecting Industry

COPPER PRODUCERS start dumping "surplus" output in Uncle Sam's lap.

The sharpest price slump in years in this major metal is prompting the first turnover of copper to the Government under incentive contracts signed during the Korean War. These contracts, designed to boost production, pledge Federal buyers to accept copper if market prices fall below designated floors. In some cases, these minimums are as high as 30 cents a pound. Producers' prices have tumbled to 27 cents.

Federal officials say two of the five companies holding incentive contracts have so far offered copper to Uncle Sam. The amounts are small, but copper contracts are under review. The result could be negotiations aimed at reducing the Government's obligation to take the metal. Eisenhower himself has mentioned the danger that such contracts could shove Federal spending higher than expected.

The Government is buying no domestic copper now under the regular stockpile program, though the long-term copper goal is not yet filled.

BIG BUILDUP of home heating oil may help keep prices down this winter. Inventories started stacking up last winter during the Suez crisis when refineries operated at a high level. A warm, early spring added to the pile-up. So stocks of distillates and other home heating oils now total 195 million barrels, 11% higher than a year ago. The number of residential oil burners in use has probably climbed by less than 5% during the past year.

Although crude oil and labor costs are up, No. 2 heating oil, a bellwether home heating type, wholesales in the mid-continent for about nine cents a gallon, roughly the same as a year ago. In 1956, this grade started its winter price climb on December 19 when prices moved up one-quarter cent.

COFFEE'S COST may skid further as the bumper Brazilian crop is marketed.

Leading roasters whacked wholesale prices as much as six cents a pound last week in anticipation of still lower green coffee costs. Coffee men predict prices will keep right on dropping. One major roaster looks for a further decline of eight to ten cents by the year-end. Brazilian green coffee, now wholesales in New York for eight and one-half cents less than a year ago; Colombian grades are down 22½ cents. Chain grocers now retail coffee in New York for from 18 to 20 cents less than last year.

Brazil, which grows nearly half the world's coffee, has started picking a crop that may top 1956 by more than 40%. It probably will lift world exportable production for the year that started July 1 to 40.5 million 135-pound bags, 8 million more than in 1956-57. Brazil's new crop won't arrive here in any volume for about a month.

A run of rainy weather could, of course, still damage the Brazilian crop while it's being picked and dried.

CHICKEN MEAT may continue to perch on the bargain-counter. Broiler raisers started trimming output about mid-July but production still tops 1956. During the last eight weeks farmers in the 22 major broiler areas bought 239 million chicks, up from 220 million the year before. Broilers wholesale for about 18 cents a pound in the big Delaware-Maryland-Virginia producing area, down about two cents from last year's low level.

COTTON GLUT will shrink in the year ahead but at a slower pace than in 1956-57. Ideal growing weather plus plenty of fertilizer promise to produce a crop of 12.7 million bales, only 600,000 under 1956. Farmers are harvesting 12.7 million acres, 1.9 million below last year. Exports in 1957-58 may dip to 5 million bales, down 2.6 million. Uncle Sam's holdings may drop by only 1.2 million bales by next August 1; in 1956-57, the surplus declined 3.7 million.

CALIFORNIA ORANGES suffer from scorching weather. In Los Angeles, 27 days have topped 90 degrees so far this year; only 15 were that hot in all 1956. Result: The navel orange crop, harvested in the winter, may drop to 12.6 million boxes, down three million from last year. Next summer's Valencia orange output is put at 17.8 million boxes, smallest in 21 years.

WET WEATHER raises the cost of making fluffy bread. In rainy years such as 1957 the protein in wheat is low. Bakers must have a flour high in protein to achieve light, springy loaves. Protein also yields an easier-to-knead dough. Ordinary wheat sells for about \$2.08½ a bushel at Kansas City, 16½ cents below a year ago. But high protein wheat brings about \$2.35, four cents more than a year ago.

MEMO TO EPICURE: The 1957 vintage of French wine will be down in size and quality. French grape growers now are picking the smallest crop in more than a decade. What's worse, hybrid vines, which yield lower quality wine, are doing best this year. Other types, from which fancier varieties of wine are produced, were hardest hit by spring freezes and poor flowering. So the taste of this year's vintage won't be up to par.

Wine production in France may slip under 1 billion gallons this year. Output was subnormal in 1956, too, but in 1955 France turned out 1.8 billion gallons. The famous vineyards of the Champagne district are probably hardest hit; they'll produce a crop that's only 15% to 20% of normal. Because wine is aged for a year to a decade or more, however, the poor 1957 crop won't be felt for some time.

U. S. wine production probably will slip, too. California, No. 1 grape state, is harvesting a crop about 7% smaller than in 1956.

HUNTERS REPORT middling luck in their annual foray for seal skin coat makings. In the season ended last month, the hunters took nearly 94,000 fur-seal skins on Alaska's Pribilof Islands. Though this year's take fell well below last year's 123,000 pelts, it far outdid the annual average of 65,000 in the 1940-56 era.

Steel Rebels

Insurgent Unionists
Gather Forces for New
Assault on McDonald

They Aim to Win Locals, Get
Convention Power to Make
USW "More Democratic"

Slumber in Tinsel Palaces?

By PAUL LANCASTER
Staff Reporter of THE WALL STREET JOURNAL

PITTSBURGH — Rank-and-file insurgents are gathering their forces for a new assault on Steelworker President David J. McDonald. Backing a slate of almost unknown candidates in the union election last February, the dissident Steelworkers piled up more than one-third of the votes — not enough to unseat Mr. McDonald but more than enough to frighten him.

The insurgents, who've organized as the Dues Protest Committee, have just wound up a meeting here at which they drafted plans to win control of as many locals as possible in coming months. Their goal: To gain a powerful voice at the 1,250,000-member union's 1958 convention. At the convention they hope to push through changes in the Steelworkers' constitution that they say would make the union more democratic and, perhaps, aid their chances when Mr. McDonald next comes up for reelection in 1961.

Autocracy and Corruption

The Steelworkers' civil war is worth attention amid current disclosures of union autocracy and corruption. The Steelworkers, out-ranked in size only by the Teamsters and the United Auto Workers, has long been conceded to be among the most democratic of all unions. It is one of the few unions whose national officers are selected by direct ballot of union members; it's also one of the few to publish an annual financial report. The rebels, however, charge the union still isn't democratic enough.

Disclosures by Senate investigators may push the Teamsters and other unions to granting members a greater voice in their affairs. And the Steelworker upheaval raises this question: Once the move toward more democracy is begun, will the members let it stop?

The Steelworkers' intra-union feuding was ignited by a \$2-a-month increase in dues—to \$5 a month—passed by the union's convention in Los Angeles last October. The dues hike led within a few weeks to the formation of the Dues Protest Committee. But committee members claim they're fighting more about the "dictatorial" way in which the increase was passed than about the \$2 itself.

According to the rebels, many delegates jumped to their feet to speak against the increase but Mr. McDonald refused to recognize them. Instead, the insurgents say, he called for a standing vote on a motion to close debate and then ruled debate was closed. The opponents of the dues hike say Mr. McDonald then called for a standing vote on the dues increase and ruled it had been approved.

"Fighting for the Right"

"I'm not fighting for \$2," rasps William Klug of Milwaukee, a leader of the rebels. "I'm fighting for the right to discuss whether I should pay \$2 or not."

Insurgents at the week-end meeting here still were exulting over their surprising showing in last February's election. "We scared one of the most well-knit political organizations in America," Curtis Strong of Gary, Ind., told the group. Mr. Strong was the rebels' candidate for international teller.

The keynote speaker was dapper Nicholas Mamula, who runs a charging machine at Jones & Laughlin Steel Corp.'s Aliquippa, Pa., works and served as campaign manager for the election. He inveighed, in stentorian tones, against union officers who "slumber in tinsel palaces while corruption flourishes" and hold their members in "unconcealed contempt."

But the adjective-heavy atmosphere soon cleared and the talk became more to the point. Numbers grew, too. William Station, a burly, cigar-smoking Steelworker from Los Angeles who guarded the door during the sessions, said 117 persons from 17 states registered for the conference. Top attendance at a session was around 90. Most of those present paid their own expenses and many lost time from work. "All my expenses are being defrayed by myself," volunteered a young steelworker from East Chicago, Ind.

Making Headway?

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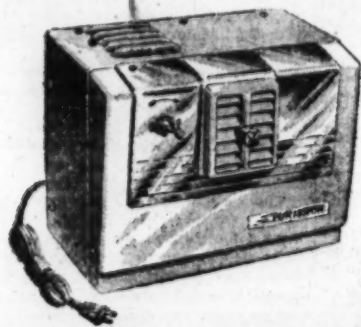
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Senate Sets New Hearings on Hoffa
For Same Day as AFL-CIO Meeting

Teamster Official Not Slated
To Be a Witness at Sessions
Opening Tuesday

A WALL STREET JOURNAL News Roundup
The Special Senate Investigating Committee
slated new hearings on James R. Hoffa, but
tentatively decided not to call the Teamster
Union vice president as a witness.

Chairman McClellan (D., Ark.) announced
in Washington that the hearings, an obvious
attempt to upset Mr. Hoffa's drive to become
Teamster president, will start next Tuesday—
the same day the A.F.L.-C.I.O. Executive Council
starts deliberations that are expected to
result in an ultimatum for the Teamsters to
reject Mr. Hoffa or face ouster from the fed-
eration.

That drop-Hoffa order was considered near-
er yesterday as the Ethical Practices Commit-
tee met in New York to draw up its findings,
to be forwarded to the Executive Council, on
corruption charges against both the Teamsters
Union and Mr. Hoffa. A finding of guilty would
mean the Teamsters Union would face expul-
sion from the federation.

"This committee won't make any recom-
mendations to the council," said David Dubinsky,
a member of both the Ethical Practices group
and the Executive Council, as well as presi-
dent of the International Ladies' Garment
Workers Union.

Committee Draws on Senate Findings

Thus far the "facts" gathered by the Eth-
ical Practices Committee have been drawn
from findings of the McClellan Committee. The
Teamsters brushed them off with a general
denial earlier this month, but Mr. Hoffa chose
to reply to charges against him in more detail.

Asked what effect a new round of Senate
hearings would have on the federation's action
on the Teamsters, Mr. Dubinsky said "little at
all, unless the committee turns up something
really sensational."

The Ethical Practices Committee will meet
once more in New York to approve a final
draft of its findings next Monday, the day be-
fore both the Executive Council meeting and
the new McClellan hearings.

The one-two punch from the Senate commit-
tee and the A.F.L.-C.I.O. ruling board will
come practically on the eve of the Teamsters'
September 20 convention in Miami. There, Mr.
Hoffa hopes to be elected successor of outgoing
union boss Dave Beck.

Ultimatum Likely September 25

The A.F.L.-C.I.O. ultimatum probably will
be handed down Wednesday, September 25, and
Mr. McClellan said the Senate Committee's
sessions probably would last three or four days
and possibly longer.

Mr. Hoffa will be "invited" to attend the
hearings, but as of now Mr. McClellan said
the probe panel doesn't plan to order his ap-
pearance. However, he is under continuing
subpoena from the committee, and Mr. Mc-
Clellan added that if the hearings bring out
material that might require the Teamster
leader's testimony, he could be required to
take the witness chair.

And while he may not be called next week,
Mr. Hoffa will definitely be called at a later
date, the Senator said, "make no mistake
about that."

In Detroit, Mr. Hoffa said he would have
to talk to his lawyer before deciding whether
to attend the hearings. "I don't know what
it's all about yet," he said.

Since he was before the committee for four

days last month, staff investigators have been
going over Mr. Hoffa's books and records in
his Detroit headquarters. The chairman said
the staff under Counsel Robert Kennedy had
come up with new evidence which the panel
felt called for new hearings. The Senator said
the new hearings will deal with four or five
different subjects, which he would not detail.
Two of these, he indicated, would be follow-ups
on situations explored in the earlier hearings.

More Witnesses Due

Mr. McClellan said 10 to 15 or more wit-
nesses will be called, most coming from Michi-
gan and some of them businessmen. He said
the questioning will include matters concern-
ing alleged misuse of union funds and conflicts
of interest. The Senator predicted "substantial
co-operation" from some of the witnesses. In
the earlier hearings, most of the witnesses
against Mr. Hoffa invoked the Fifth Amend-
ment's protection against self incrimination.
He himself did not resort to the Fifth Amend-
ment, but as the questions rolled on he increas-
ingly claimed he "couldn't recall" the answers.

The Senator turned down the Teamster of-
ficial's request that the committee call him
right away or not until after October 10, calling
it "belated." He said the committee has too
much work to do to "yield to the convenience"
of all prospective witnesses.

Mr. Hoffa is still suffering from the effects
of his earlier appearance before the Senators.
These have brought a total of three opponents
into the race against him who have cut into
the overwhelming lead he apparently once had.
It also brought charges against him by the
A.F.L.-C.I.O. and warnings to the Teamsters
that the union will be kicked out of the federa-
tion if it elects Mr. Hoffa president.

Mr. Hoffa has insisted that his asserted sup-
port by 75% of the 1,924 Teamster convention
delegates has not dwindled.

But his three opponents—Teamster Vice
President Tom Hickey of New York; Thomas
Haggerty, secretary-treasurer of a Chicago
milk wagon drivers Teamster local, and Rep.
John Shelley (D., Calif.)—are claiming increas-
ing support as the combined Senate committee
and A.F.L.-C.I.O. pressure mounts on Mr.
Hoffa. There's no doubt the anti-Hoffa senti-
ment within the Teamster Union is growing.
His three opponents are helping this along by
pounding on the theme that election of Mr.
Hoffa means ouster from the A.F.L.-C.I.O.

Bakery Workers Visited

In Washington, Mr. Hoffa was reported to
have flown to Cincinnati by chartered plane
yesterday morning to speak to an executive
board meeting of the Bakery Workers Union.
This union, like the Teamsters, is threatened
with ouster from the federation on charges of
corruption. The Bakery Workers also has been
investigated by the McClellan Committee, and
the panel charged Union President James
Cross with using union funds for his own
personal benefit.

The union official here who said Mr. Hoffa
flew to the meeting reported the Teamster
leader told the Bakery Workers that since
both unions were threatened with ouster from
the federation, they had to stick together. It
was not known here whether Mr. Hoffa had
made any overtures aimed at drawing the
Bakery Workers into the Teamsters Union.

Should the Teamsters be ousted from the
A.F.L.-C.I.O. under Mr. Hoffa, some federa-
tion officials have predicted that the Bakery
Workers Union would link up with the truck
union.

The union official who passed on the report
noted that Mr. Cross and Mr. Hoffa are
close friends. He said they had been in touch
by telephone almost daily over the past several
days. "There's no doubt that Cross is counting
on support from Hoffa," the official said.

Anti-Hoffa Toronto
Teamsters Local Ruled
Not in Good Standing

TORONTO—(AP)—A Toronto Teamsters lo-
cal that announced its opposition to James R.
Hoffa as international president said it was
notified that it is not in good standing.

The notification was wired to the 4,700-mem-
ber Local 938 here by retiring Teamsters' Pres-
ident Dave Beck.

William Mills, secretary-treasurer of the
local, said, "It looks as if Beck has opened up
his guns to unseat us at the Miami convention
September 30."

He said the local plans to support Thomas
J. Haggerty of Chicago, who is opposing Mr.
Hoffa for the union presidency.

Mr. Mills said Mr. Beck's telegram re-
moved the local from good standing because
of failure to pay a per capita tax to the Toronto
Joint Teamsters Council No. 52.

He said the local protested the tax when it
was set up in a joint council by-law in Febru-
ary, 1956, because it was not confirmed by the
international union executive as is required by
the union constitution. He said he sent several
letters to Mr. Beck asking for an investigation.

Appearance Before CAB
By Howard Hughes
Postponed Two Weeks

WASHINGTON—(AP)—A possible ap-
pearance by Howard Hughes before a Civil Aero-
nautics Board examiner was postponed for two
weeks. Attorneys said they are continuing ne-
gotiations toward an agreement to bar the fin-
ancier from possible control of Northeast Air-
lines.

Examiner Paul N. Pfeiffer scheduled the
hearing to resume September 30 and directed,
should negotiations break down, that Mr.
Hughes appear to testify at that time in the
board-ordered proceeding.

The C.A.B. wants to know whether the
\$41,615 shares of common stock in Atlas Corp.
acquired by Mr. Hughes in the merger of RKO
Pictures Corp. and Atlas may have given him
control or potential control of Northeast with-
out prior board approval. Atlas holds a 51%
interest in Northeast.

Mr. Hughes already controls Trans World
Airlines through his interest in Hughes Tool
Co., which holds 75% of the TWA common
stock.

A stipulation between C.A.B. counsel and
Mr. Hughes' attorneys, read into the record
by C.A.B. counsel Abe Maller, stated that Mr.
Hughes' position is that he has neither control
nor potential control of Atlas, that he is inter-
ested in the company only as an investor and
has no intention of participating in its manage-
ment.

Today's Index

Regular Features

Tuesday, September 17, 1957

Abrast of Market	25	London Markets	11
Am. S.E. Bid, Ask	23	Milestones	11
Am. S.E. Bonds	23	Money Rates	19
Am. S.E. Stocks	23	N.Y.S.E. Bid, Ask	22
Bond Markets	18	N.Y.S.E. Bonds	23
Ch'ges in Hold'gs	14-15	N.Y.S.E. Stocks	24
Commodities	20	Odd-Lot Trading	25
Dividend News	8	Other City Markets	21
Earnings Digest	21	Over-the-Counter	22
Editorials	12	Tax-Exempts	19
Financing Business	19	Who's News	12
Foreign Exchange	19		

Hawaiian Resort Is Planned

SAN FRANCISCO—Matson Navigation Co.
has undertaken a long range plan to develop
1,500 acres of recently-acquired land at Wailea,
Island of Maui, Hawaii, into a "major tourist
resort," Randolph Sevier, president, announced.

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Westinghouse Electric
Lighting Unit to Lay Off
70 of Its 750 Workers

CLEVELAND — Westinghouse Electric
Corp.'s lighting division here announced it will
lay off 70 of its 750 production employees Sep-
tember 24.

Edward C. Huerkamp, manager of the divi-
sion, which produces home and commercial
lighting fixtures, said lower activity in the con-
struction industry has affected adversely the
division's business.

The layoff, he said, is necessary to balance
inventories.

A division spokesman added that orders for
street lighting equipment have failed to ma-
terialize in predicted volume because the na-
tion's road building program has started more
slowly than the company expected.

The division's other plant in Vicksburg,
Miss., which primarily produces fluorescent
lighting fixtures, anticipates no layoffs, the
spokesman said.

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Cotton Cloth Prices Begin to Ease; Mills Reportedly Consider Cutbacks

Most Changes Are Fractional
And in the Resale Market;
Cautious Demand Cited

By GEORGE J. CHURCH
Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — Cotton cloth prices are beginning to soften again after four months of relative stability.

The changes so far are fractional, and have occurred mostly on secondary transactions. But they could spell renewed trouble for mill men who only a month ago had thought they were about to pull out of a year-long market slump. The declines are coming at a time when many executives had expected fabric quotations to rise at least slightly, and they're reinforcing a growing industry opinion that more production cutbacks may be necessary before the market can be brought into balance.

In the last few days, for instance, the price of a big-volume cotton broadcloth used in inexpensive shirts and underwear has slipped to 17½ cents a yard. That's ¼ cent below the 18-cent quotation that had held on this fabric for months, since a short-lived buying movement stiffened prices for many types of unfinished cotton clothing fabrics in mid-May.

Key Price Eases

Mills are continuing to quote the pace-setting 80-square print cloth, which goes into such things as low-priced house dresses, at 17½ cents a yard—an eight-year low. But transactions on this fabric in the "second-hand" resale market have been made lately at 17½ cents a yard, down from the 17½-cent price that had prevailed for many weeks.

Marketing men have also heard reports of scattered mill print cloth sales at 17½ cents or even 17½ cents a yard. So far this business represents either less-than-average quality cloth or sales by mills at out-of-the-way shipping points, but some textile brokers say buyers may soon be able to place orders for more desirable goods at 17½ cents also.

Mill men and brokers say the weakening price tone reflects continued buying caution by garment manufacturers and converters (cloth distributors and stylists). Ever since the brief May order upsurge, these customers have been buying only to fill week-to-week needs. While this ordering has resulted in a fairly substantial volume of business being placed—sales of publicly-owned textile companies for the first half of 1957 generally were slightly ahead of 1956—it has prevented any attempt to raise the depressed price level.

Moreover, cloth merchants say, the pace of orders has been too slow to absorb all mill production. "The mills aren't selling all the cloth they make each week, so there's an oversupply of goods around for spot (immediate delivery) sale," one leading broker says. "The converters are able to find all the cloth they need when they need it, and as long as they can do that they're not going to stick their necks out on any substantial forward orders."

The persistence of this situation, weeks after it was supposed to end, is currently stirring up a rash of industry rumors about further production cutbacks. None of the reports is officially confirmed, but talk has been centering on reported plans by print-cloth mills to shut down for a week within the next two or three weeks to lighten inventories and reduce the supply of spot goods available to buyers.

What foundation these rumors have is still uncertain. No executive at the moment will

concede even privately that his company is scheduling any further output curtailments. A number of major producers, including Abney Mills, Inc., Deering Milliken & Co., Kendall Cotton Mills and the Woodside Mills division of Dan River Mills, Inc., state specifically that at least right now they have no plans to join any shutdown move, should one develop.

In private, however, cotton-mill executives unanimously agree that some further throttling of output may soon be necessary. Their comments mark a complete about-face in industry market forecasts since Labor Day. All through the summer, cotton-goods executives were confidently predicting a sales and price upturn some time in August—but none arrived, and the same mill men now concede some action to curtail production may soon have to be taken.

"I had been thinking the cotton cloth situation was clearing itself up, with inventories of our customers getting worked down," states a vice president of one of the nation's biggest textile companies. "But prices are still bad and the market hasn't opened up as we expected. I frankly don't see any signs of strength, and any move that would keep goods off the market would help."

"There sure isn't anything to get on the house tops and sing about," agrees another top textile official. "Every now and then we get a good day on orders and think something has started, but the next day that business falls by the wayside. I don't see anything encouraging at all."

To be sure, not all mill men are that gloomy. The president of one commission selling agency, for instance, says mills represented by his concern have orders running as much as 24 weeks ahead, and notes that the amount of goods ordered but held at the mills until customers call for shipment is "the lowest in years." Significantly, however, even this executive concedes that too much cloth for immediate delivery is hanging around the market, and agrees a one-week shutdown would be a good move to reduce that supply.

Earlier Output Cuts Cited

If any new production curtailment does develop, it would come on top of hefty output cutbacks already made by cotton mills this year. The first wave of cuts came early in the year, with major producers like M. Lowenstein & Sons, Inc., and the Ely & Walker division of Burlington Industries, Inc., cutting mill running time to five days a week from last year's six-day operating schedule.

Later in the spring, some companies like Pacolet Manufacturing Co., Spartan Mills, the Alabama Mills division of Dan River and some plants of Avondale Mills, Inc., further reduced operations to four days a week. As a result, mill consumption of cotton and hours of spindle operation in the first half of 1957 both fell about 7% below the 1956 pace, and yardage of cloth produced probably was cut about the same amount.

The sharpest cutbacks have come at mills turning out heavy industrial cloth, such as "sheetings" used in cloth bags, auto upholstery and other industrial products, and some stringent curtailments are still going on in this area.

For instance, Hesselstein & Co. of New York currently is setting operating schedules for its Southern mills on the basis of orders on hand Friday night, and accordingly will probably run one of its sheeting mills only two days this week, according to President Harold J. Starke. "We've got to try to bring production in line with the business being done, not with the business we hope to do," Mr. Starke comments.

Aluminum of Canada Workers Vote to End Strike After 4 Months

Wage Boosts Granted Under 3-Year Pact; Walkout Cut Annual Output by 16%

By a WALL STREET JOURNAL Staff Reporter

ARVIDA, Que.—Nearly all the 6,500 workers at the giant Aluminum Co. of Canada, Ltd., smelter installations here voted to return to work and end a four-month strike that has resulted in a loss of more than 100,000 tons of aluminum ingot, about 16% of the company's annual output based on last year's production. The company is a wholly-owned subsidiary of Aluminum, Ltd.

Basis of the settlement was a new three-year agreement incorporating wage increases and uniform wages at the four smelter plants in Quebec province. Basis of minimum pay is to be increased 26 cents an hour to \$1.76 per hour in the first year, by an additional nine cents to \$1.85 in the second year and in the third year by an average of 10 cents to \$1.95 an hour.

D. H. Ferguson, manager of the Arvida works, said men are being called in to prepare for resumption of production. Previously, the company said it might require as long as a month to resume full operations.

The union originally asked for an increase that the company maintained would have cost 47½ cents an hour over the two-year life of the suggested contract. More important, however, was a union demand that the company implement a master contract covering all of the company's nine Quebec province plants.

The agreement to have similar wages and contracts at the four Quebec smelter plants appears to be the compromise agreed upon. Alcan operates other plants that do not produce aluminum ingot.

Gerard Picard, president of the Canadian and Catholic Confederation of Labor, of which

the striking National Syndicate of Aluminum Workers of Arvida is a member, estimated that the wage increase provided for in the new agreement would amount to \$35 million over a three-year period.

Hourly-paid workers have lost approximately \$11 million in wages since the strike started May 17, an average of \$1,600 per person.

Alcan's Earnings Affected

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—The four-month strike at Arvida has adversely affected company earnings, said Nathaniel V. Davis, president of Aluminum, Ltd. "Reduced volume of sales and increased operating costs will reduce third quarter earnings to a level well below earnings for the second quarter," he said.

He noted that while about 55% of Alcan's facilities were kept operating during the strike, "operating costs were higher than usual due to the necessity of obtaining alternate sources of supply of certain raw materials."

Mr. Davis added that some sales were lost through inability to provide certain types of products, but by drawing on metal inventories and deferring some deliveries, the company "was able to satisfy substantially all of its customer requirements."

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Industrial Production Held Steady In August at the June-July Pace

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Industrial production again held steady in August, the Federal Reserve Board reported.

The August seasonally-adjusted rate was 144% of the 1947-49 level, the same as in June and July. Last month's rate was one percentage point above the year-earlier pace and one point above the April and May figures for the current year.

The August level was three points below the high of 147% reached last December.

The F.R.B. said activities in manufacturing industries showed the usual seasonal rise in August. The board also noted these developments:

Auto assemblies rose substantially prior to the model changeover this month. Household goods production declined slightly as output of television edged off from an advanced July rate.

There were further curtailments in the aircraft industry, but activity in most other equipment lines changed little at advanced levels.

Output of building materials remained at the July rate as cement production recovered following work stoppages and lumber production declined. Steel mill operations increased to 81% of capacity from 79% in July, a less than seasonal rise; in early September the steel rate was 82%.

Production in the nondurable goods industries increased slightly in August, the board said, as activity in the rubber, chemical and petroleum refining industries increased and output of textiles and apparel continued at reduced levels. Output of minerals changed little, the F.R.B. added.

Here is the Board's index 1947-49 average equals 100:

	Seasonally adjusted	Unadjusted
	1947-49	1947-49
PAUG-Jul-Aug.	PAUG-Jul-Aug.	PAUG-Jul-Aug.
Industrial production, total	144 144 143	144 133 147
Manufactures	146 146 144	146 136 143
Durable	162 162 158	158 131 155
Nondurable	131 130 130	132 132 131
Minerals	128 127 130	128 123 121
Consumer durable goods, total	133 129 127	132 114 120
Maj. consumer durables	143 137 132	140 121 122
Auto	148 134 134	148 124 109
Other consumer durables	111 111 114	113 106 113
p-Preliminary.		

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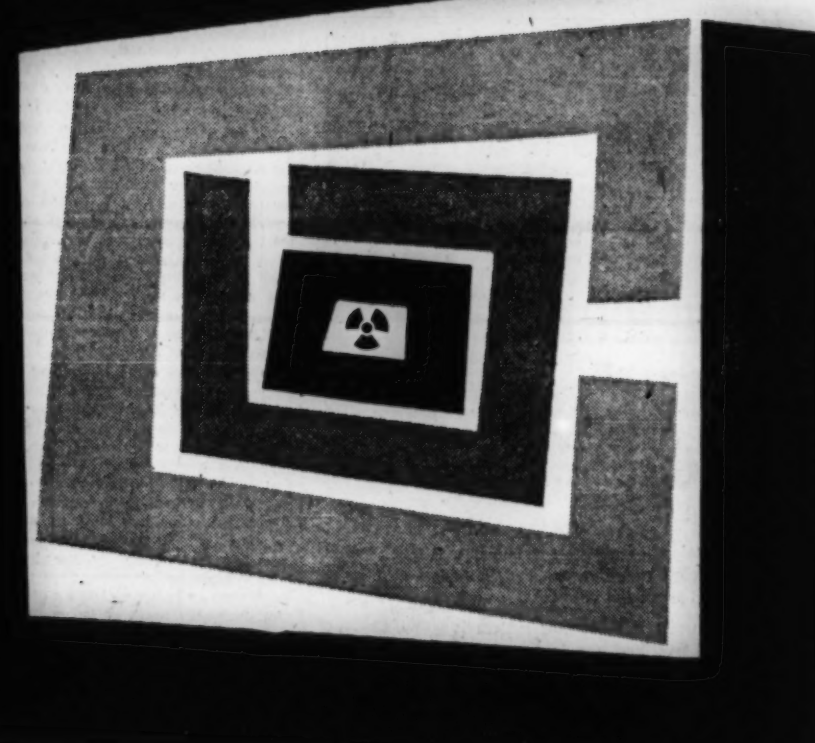
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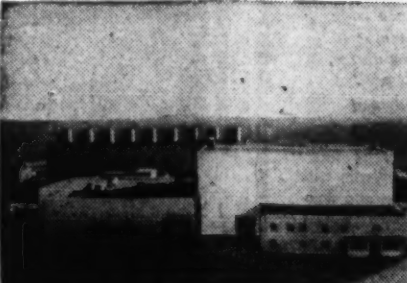
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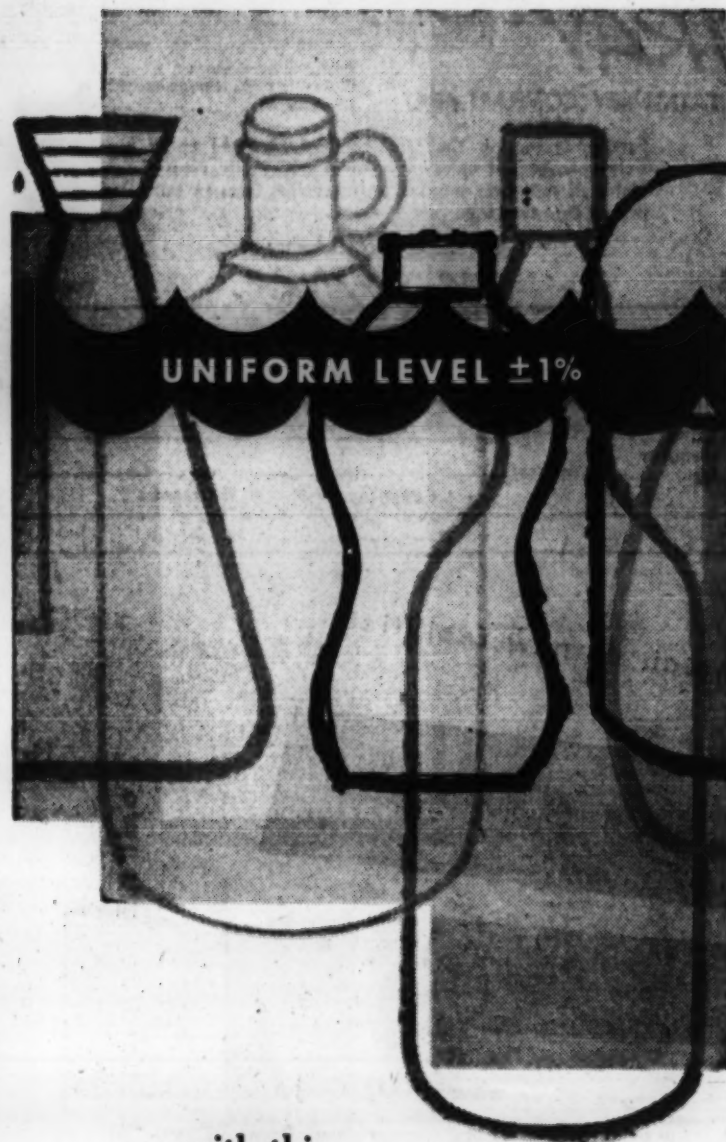
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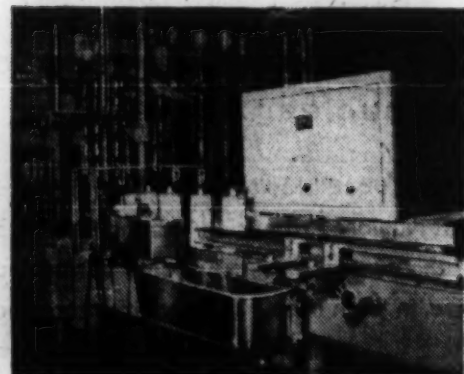


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Homes Planned Under VA Program In August Were Sharply Below '56

GI Housing Starts Fell to Lowest August Total Since 1951, Trailed July

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The G. I. home loan program continued to lag far behind the year-ago pace in August, despite the pickup in other housing activity.

The Veterans Administration reported it received appraisal requests for 14,545 planned homes last month compared with 36,518 a year earlier. The agency noted the figure was 537 higher than the July total.

Other phases of the V. A. home loan guaranty program, however, trailed the month before as well as August, 1956, and reached record low marks. This was in contrast to the 21% August gain reported a few days ago on appraisal requests under the Federal Housing Administration's mortgage insurance program. Actual housing starts also passed the 1,000,000 annual rate last month for the first time this year.

V. A.-backed mortgages, under law, carry a maximum interest rate of 4½%, considerably below the 5¼% limit on F. H. A.-insured loans and higher rates on so-called conventional mortgages—those that don't carry the backing of a Government agency.

Starts under the G. I. program fell to 11,844, off from July's 12,329 and the lowest August since 1951. In August last year, starts totaled 24,435.

August appraisal requests for already-built

homes fell to 6,877, a new record low for any month in the seven years the V. A. has kept figures in this category. This was under the 9,036 appraisal requests for July, which was the previous low. These appraisals in August of 1956 were 29,684.

Another drop was reported in applications from veterans for home loan guarantees, which fell to 19,272 from July's 20,511, the lowest August since World War II. Applications for August of 1956 totaled 47,672.

Builders generally blame the sharp decline in the V. A. program on sharp competition for mortgage money and the 4½% interest rate ceiling on mortgages backed by the agency.

The F. H. A., on the other hand, last month raised the maximum permissible interest rate and lowered the minimum down payment required on mortgages it insures. F. H. A. officials attributed at least part of the pickup in its program to the new 5¼% interest rate ceiling and lower down payment minimum. Officials also figured the increased spread between the F. H. A. and V. A. interest rates was causing a switch of some builders and buyers to the F. H. A. program, but could give no estimate of the number involved.

Yesterday, the F. H. A. reported it soon will put into effect a program aimed at making mortgages it insures easier to get in outlying rural areas.

Under the program, which will be launched on an experimental basis later this year, qualified local appraisers and building inspectors in smaller towns will be paid by the housing agency on a fee basis for work now done by F. H. A. employees. Lending institutions in the towns will be selected by the F. H. A. to handle housing loan insurance applications.

Kern County Land Co. Expects 1957 Profits To Be Near Last Year

Higher Prices Offset Effect of Lower Crude Oil Output; Louisiana Finds Reported

By a WALL STREET JOURNAL Staff Reporter

SAN FRANCISCO—Kern County Land Co. expects 1957 earnings to approximate those of a year ago despite the fact that oil royalties for July showed a drop of \$134,000 from the like 1956 month to \$1,684,000, George C. Montgomery, president, said.

Last year the company earned \$11,745,000, equal to \$2.93 a share. For the first seven months, royalties were \$157,000 ahead of the like 1956 period at \$12,845,000.

The July decline in royalties was not attributed to any general lessening of productivity of oil fields on company property. Instead, the company said there apparently was some voluntary reduction of output by lessors in line with a changed supply and demand picture from a year ago.

Daily average production from the company's California fields has been falling off for a number of months but a price improvement this year has more than compensated for this to date. Last year the daily average was 54,214 barrels, the highest since 1949. For the first seven months of 1957, production averaged 50,779 barrels a day, or 6.8% below a year earlier. The July average was 48,575 barrels a day. In view of the recent trend, the company now expects that oil royalties for the full year will be somewhere around last year's record figure of \$21,899,000.

Kern's joint exploration and development venture with Monterey Oil Co. has found some promising oil and gas properties in Louisiana. The company is taking some money out of them this year for the first time. There are a dozen oil or gas wells either producing or ready for production in that state. Most of the gas wells drilled to production are shut in awaiting further development and necessary transportation facilities. The best prospect thus far turned up by the Monterey-Kern joint venture in Lake Boeuf oil field, some 30 miles west and ten miles south of New Orleans. The discovery well came in last year and several others have been drilled or are drilling. The field produces from multiple zones and

may turn out to be a major field, Mr. Montgomery said.

This year is proving to be a mixed one with Kern's agricultural activities. Its cattle operation has been successful, the reverse of a year ago, and the company expects to make more money from cattle this year than it did in 1956, the last profitable year for livestock. However, potatoes and sugar beets will not show a profit for 1957. Last year was an exceptional money-maker for potato growers on Kern's lands. As a whole, agricultural earnings may be around the \$733,000 reported for 1956.

Nylon Truck Tire Prices Hiked

CLEVELAND—The Dayton Rubber Co. announced in Dayton, that it had increased the price of its nylon truck tires by 7½%. At the same time it said it was increasing substantially the nylon-cord content of all sizes and types of its nylon truck tires.

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Federal Mediator Seeks Resumption Of Talks in Western Electric Strike

Bell Offices Ringed by Pickets; Local Service Unaffected, Company Says

A WALL STREET JOURNAL News Roundup
Federal mediator Walter A. Maggilo stepped into the stalled bargaining talks between the Western Electric Co. and the A.F.L.-C.I.O. Communications Workers of America yesterday afternoon in an effort to bring the two sides together and end the picketing of Bell System telephone exchanges which began across the nation at 6:00 a.m. local time yesterday morning.

Mr. Maggilo first talked with chief company negotiator A. C. Billotte, and then went into a huddle with Joe Dunne, head negotiator for the union. A Western Electric spokesman said he hoped a joint bargaining session would be called today in New York.

Although the Federal mediator got the two sides together, company negotiator A. C. Billotte said, "It does not appear likely that there will be resumption of full scale negotiations," the Associated Press reported. These talks will be resumed today.

Shortly before the strike began the union agreed to a settlement covering 10,500 employees of Western Electric distributing plants and 2,000 production and maintenance workers in plants at Duluth, Minn., and on Long Island. The agreement involved wage increases of 8 to 12 cents an hour and other new contract provisions.

Nearly all of the Bell System's central telephone offices were ringed with pickets yesterday. A company spokesman said all lines were crossed in the New England area, no picket lines were breached in the South, and about half of the lines were broken in the rest of the country. A union spokesman, however, said non-striking Bell employees "were definitely honoring the picket lines" in the 44 states where Western Electric phone installers are on strike.

Local telephone service was not disturbed by the strike because nearly 90% of American Telephone & Telegraph Co.'s phones are dial operated. The remainder were easily operated by supervisors and non-striking workers who crossed the picket lines, the company said.

Long distance telephoning was disrupted, according to a spokesman for A.T.&T.'s Long Lines Department, but delays were slight. "At no time," he said, "did we stop accepting long distance calls." A.T.&T.'s nationwide Teletype-rer network was affected, the spokesman added, and there were two 20 minute periods during the morning and afternoon when TWX subscribers were warned of delays in service because of the lack of operators.

The picket lines involved more than 23,000 Western Electric telephone equipment installers. An A. T. & T. spokesman said no violence was reported anywhere on the Bell System.

Federal mediator Maggilo's job is to bring the company and union together and this means getting both sides to improve their latest demands and offer arrived at Sunday. The company increased its wage offer from five to ten

cents an hour, to six to 12 cents an hour, and the union cut its demand from 16 cents to 15 cents hourly. Western Electric agreed to a two year contract that can be reopened for talks on wages and holidays. It also increased the cash allowances it's willing to pay for phone installers' travel time to and from the job.

In a separate dispute involving operators, a spokesman for Ohio Bell Telephone Co. said no progress was made during bargaining talks held yesterday morning, but he added that negotiations were resumed yesterday afternoon and held out hope of some worthwhile results.

At Ohio Bell, the main roadblock is the length of the contract. The union is asking for a 15-month agreement, and the company is offering a 12-month contract.

New Western Electric Site

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—The Western Electric Co. is purchasing several pieces of property in the Wall Street area as a site for a new office building.

Western Electric, the manufacturing and supply unit of the American Telephone & Telegraph Co., said it has been forced to lease about 400,000 square feet of office space in downtown New York to keep pace with the expanding Bell System. The new building will permit the consolidation of these offices in a single structure close to A.T.&T.'s headquarters only a block or two away.

The company is purchasing properties at 212, 214 and 220 Broadway from the Chase Manhattan Bank. The bank has been granted the right to lease space in the ground floor of Western Electric's new building to continue the branch banking operations now conducted at this location. The company has also acquired an adjoining property at 147 Fulton St. The consolidated plot of ground will embrace about 33,000 square feet.

A Western Electric spokesman was unable to provide any details on the size of the proposed new building, its cost, or the price of the property on which it will stand.

Daroff, Worsted-Tex Spring-Summer Suit Prices Won't Be Hiked

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—H. Daroff & Sons, Inc., and the House of Worsted-Tex, men's clothing manufacturers, will hold prices unchanged on their spring and summer, 1958, suit lines, Michael Daroff, president of both companies, announced.

Several other men's clothing makers recently announced they would keep prices unchanged on their new lines despite earlier predictions of a \$2 to \$2.50 increase on medium priced suits for next spring.

Auto Radio Is Removable, Can Be Used as Portable

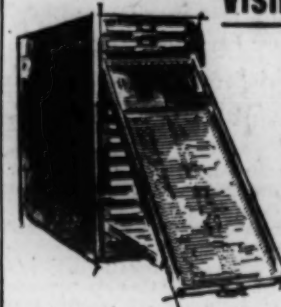
By a WALL STREET JOURNAL Staff Reporter

NEW YORK—An auto radio that can be slipped out of the instrument panel and used as a portable will be offered as optional equipment on 1958 Oldsmobile cars. Price was not announced.

Jack F. Wolfram, division general manager and a General Motors Corp. vice president, described the radio at a dealers meeting here. It is an all-transistor unit that is battery-operated as a portable but plugs into the car's electrical system when inserted into the dash, and also uses the car's antenna, speaker system and radio control knobs.

The release catch is inside the glove compartment; another lock on the outside is designed to discourage theft.

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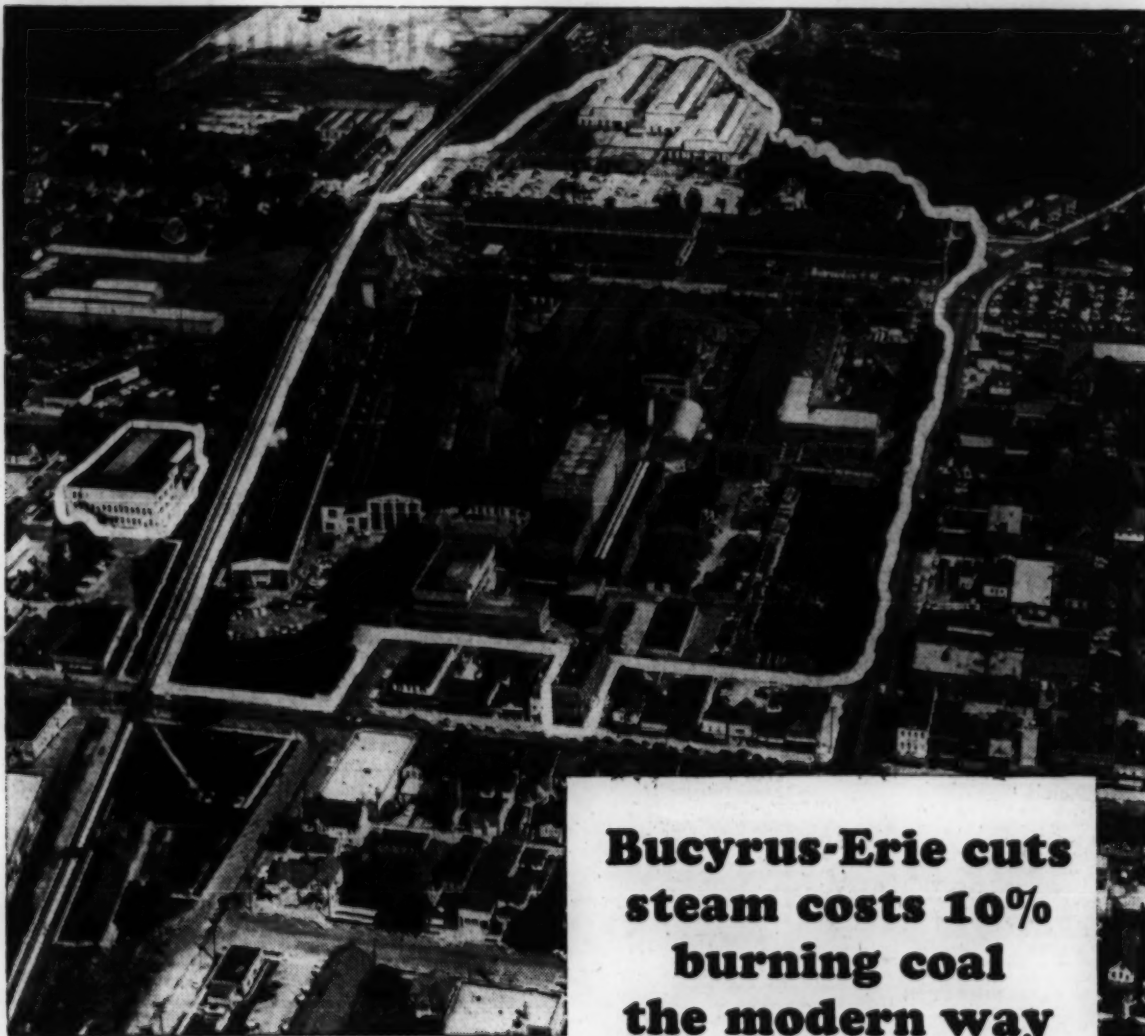
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State Department May Gag ICA As Result of Furor Over Aid Statement

Agency Officials Say Foreign Aid Memo Does Not Represent a Change in Policy

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The State Department is considering muzzling the International Cooperation Administration as a result of the latest foreign policy furor.

Such threats came from responsible State Department officials in the wake of a squabble over an I.C.A. statement that seemed to signal a switch in U. S. policy toward curbing aid to government-run enterprises and putting increased emphasis on aid to private companies in so-called "underdeveloped" nations.

The official I.C.A. statement that started all the fuss came last Thursday. Foreign Aid officials billed their pronouncement as an important change of direction.

"A very significant step," said one I.C.A. spokesman last Thursday. "A Magna Carta" of foreign policy toward private enterprise, he gushed.

The repercussions came thick and fast and were still coming yesterday.

Dulles Has Power to Gag

State Department officials said it may be necessary for I.C.A. to do the aiding and let the diplomats do the talking. If Secretary of State Dulles decided to gag I.C.A., he has all the power he needs. The aid agency operates as an arm of the State Department, somewhat as the Internal Revenue Service functions as a unit of the Treasury.

In addition to the mouth-shutting threat, state department officials were telling all and sundry the I.C.A. statement was no change in policy at all. And the foreign aid officials who only last Thursday saw their pronouncement as such an important change were falling into line.

The State Department instructed U. S. embassies in so-called underdeveloped nations to tell local governments things are just as they were before I.C.A. spoke last week.

The U. S. Information Agency directed its people abroad to tell anyone who's interested the U. S. has no intention of trying to "make over" governments or their economies.

Unwritten Policy Stated

The State Department contends—and official I.C.A. spokesmen now agree—that all the agency really did last Thursday was to put in writing what had been the unwritten policy all along. What this left unanswered was whether John B. Hollister, who's retiring as foreign air chief, thought he was changing policy for his successor, and whether Undersecretary of State Herter, who approved the I.C.A. statement, understood he was changing directions. His aides insisted he didn't.

Mr. Hollister, who has already left town, couldn't be reached for comment. And Mr. Herter was on a trip to the Far East. Mr. Hollister's successor, James H. Smith, reached at his North Star Ranch in Aspen, Colo., said nobody cleared the document with him.

Aside from saying he'll probably have to deal with the squabble when he takes over next month, Mr. Smith adopted a closed-mouth policy.

In the past, under its unwritten rules, the I.C.A. has helped underdeveloped countries—India, Pakistan, Iran and Korea, for example—build profit-making industries owned by the government. In Iran, for example, I.C.A. helped finance fertilizer and textile plants owned by the Iranian government. Last Thursday, I.C.A. spokesmen said there would be fewer of this kind of aid projects. Henceforth, they said, greater efforts would be made to persuade governments to let private enterprise at home or from other countries do this kind of job.

Both sides insist these projects have been and will continue to be the exception. The difference between the State Department and I.C.A. apparently lies in whether there will be more or fewer of these "exceptions" in the future than in the past. Whether there are more or less also will determine whether the policy has been changed or remains as it was.

Still another one of the mysteries was why—if Mr. Hollister and Mr. Herter did not intend a policy switch—the I.C.A. announced it with such fanfare. One possible explanation lies in I.C.A. arguments that some foreign aiders had grown lax in carrying out what was supposed to be official doctrine. They say some of Mr. Hollister's aides had been "back-sliding" in allowing too many "exceptions" and in not pushing private enterprise projects with adequate vigor.

Part of the explanation could also lie in how it happened that the I.C.A. drew up its statement unveiled it last week.

It all started last spring. The Council on Foreign Economic Policy, headed by Clarence Randall, asked for a statement in writing of U. S. policy toward private enterprise. Mr. Hollister's agency started consulting other Federal agencies. By late August the statement had been worked up and Mr. Herter signed it shortly before he left on his present Far East-ern trip. Mr. Hollister okayed it September 3 and dispatched it to I.C.A.'s foreign outposts.

On September 10, Mr. Hollister's press agent, William Caldwell, says he returned from vacation and found the document on his desk. Mr. Caldwell, thinking he saw a good story, suggested an announcement, and Mr. Hollister approved.

Questions Are Unanswered

This explanation again leaves some unanswered questions. In the first place, if no change in policy was intended, why did it take from spring until fall to draw up a simple statement of what policy has been for years. Secondly, though Mr. Hollister agreed to making the policy public, it wasn't known whether he was aware his subordinates were going to build it up in such dramatic fashion.

And, ironic as it now seems, one of Mr. Caldwell's tall talking points in getting Mr. Hollister's okay on publication was that it would avoid garbled "leaks" abroad and distortion and misunderstanding of America's true intent.

Both the State Department and I.C.A. said they got no repercussions from recipients or likely recipients of U. S. dollars. An official at the Indian embassy said his country's diplomats wondered what was going on when they read first press accounts of the Hollister doctrine. But their fears were calmed when the State Department assured them nothing had changed. At the Pakistani embassy, a spokesman said he wasn't worried because Pakistan wants private enterprise, anyway.

New Policy or Old, Here is the "Magna Carta" that's stirring the fuss:

"The U. S. is convinced that private ownership and operation of industrial and extractive enterprises contribute more effectively than public ownership and operation to the general improvement of the economy of a country through better management, research, quality control, lower prices, increased employment and capital growth.

Basic Policy Given

"It is therefore a basic policy of the I.C.A. to employ U. S. assistance to aid-receiving countries in such a way as will encourage the development of the private sectors of their economies.

"Thus, I.C.A. will normally not be prepared to finance publicly-owned industrial and extractive enterprises, although it is realized that there may be exceptions."

In addition, there was one other mysterious

paragraph not made public last Thursday but forwarded to U. S. Embassies abroad. The omitted lines requested "As appropriate, this policy be communicated to the governments of countries in which we are financing development projects. If cooperating government desire I.C.A. financing of projects which would be exceptions to this policy, I.C.A. agents abroad should get such applications to Washington 'at an early stage.'"

The omission of these lines also created something of a stir. I.C.A. critics suspected the agency was trying to hide something. But Mr. Hollister's aides took the position the wordage they skipped was purely procedural and, thus, was left out in their public statement in the interest of simplicity.

Bowery Savings Bank Opens New Unit in Penn Station

NEW YORK — Bowery Savings Bank, largest mutual savings bank, opened a complete underground savings bank unit in Pennsylvania Station.

The new unit, with 12 banking windows, will give full and immediate savings service because the depositors' records will be kept within the underground portion of the bank. It differs from the Bowery's Grand Central unit, opened two years ago, where depositors' records are kept above ground in the bank's main office at 42nd Street. The Grand Central unit has three windows below ground near the Lexington Avenue subway station, and five more at sidewalk level.

The Pennsylvania Station outlet, situated opposite the ticket windows of the Long Island Rail Road, is connected to the bank's 34th Street office, and thus does not constitute a branch. Mutual savings banks in New York State are limited as to the number of branches they may open.

SEC Stock Index

WASHINGTON—The Securities and Exchange Commission Index of Stock Prices, based on the closing prices of 303 common stocks for the week ended September 13, 1957, of the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows: (1929 equals 100)

	Sept. 13	Sept. 6	%	1957
Composite	224.5	223.3	+0.5	202.8
Manufacturing	228.1	226.9	+0.5	207.7
Durable Goods	224.1	224.8	-0.3	203.7
Non-Durable Goods	230.3	228.5	+0.8	205.3
Transportation	209.3	211.0	-0.8	217.5
Utility	153.1	152.8	+0.2	152.3
Trade, Finance & Service	272.1	274.1	-0.7	274.8
Mining	243.5	241.7	+0.5	239.7

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The Author: Writer Wallop Scores With Yankees, Frets About Future

Continued From First Page
13-foot Penguin-class sloop, both bought after the Yankees scored.

Other Signs

There are a few other signs of success, too: Improvement on the family's winter home, a 19th century house in Arlington, Va.; a six-week tour of France, England and Italy after the opening of Damn Yankees on Broadway, and a liquor bill now three times that of "before Yankees."

"My drinking hasn't increased," Doug quickly asserts. "I like scotch and that part of the bill has stayed about the same. But I enjoy entertaining and there certainly has been more of that."

Doug first became a "published" author in 1933 with a novel, Night Light, that enjoyed only middling success. It was a story about a father who seeks an explanation for the murder of his daughter by a maniac. Before this breakthrough, Doug had served stints as a press service rewrite man, a news reporter, a hotel clerk, an unsuccessful short story writer and an insurance broker. He still holds an interest in the insurance business.

It was in September, 1933, that he set aside a rough draft of a second serious novel, Sunken Garden, to try his hand at a baseball story which had been flickering through his mind all summer. The result turned up six months later as The Year the Yankees Lost the Pennant.

Sunken Garden

Since then, he has finished and seen published Sunken Garden, about the mental outlook of an unfaithful husband. "It was a complete flop both to the reviewers and the readers," he concedes.

Doug's income, of course, depends on royalties from his books' sales and from selling the books' rights for reprints, book clubs and movies. His arrangement with his publishers, W. W. Norton & Co. in New York, is a common one between author and publisher, although such contracts vary widely. John P. Marquand, whose name alone on a new book would sell a large number of copies, would receive a higher royalty, for instance, than an unknown college student who wandered in with his first novel tucked under his arm.

Doug's contract in the case of the Yankees — contracts in most instances cover only a single book — gives him a royalty of 10% of the retail price of the first 5,000 hard cover copies sold, 12.5% for the next 5,000 copies and 15% for any sold over 10,000 copies. A more famous author might ask — and get — 15% of all copies sold. The contracts usually last as long as the copyright is in force and the book is circulated for sale by the publisher.

As in most cases, publisher Norton controls reprints of the book in paper-cover editions, magazines and book clubs. This, of course, is to keep the publisher's business in the hard cover copies from being undercut by these other media. Traditionally, the income from the reprints are split 50-50 with the author.

Splitting 4%

If the Yankees comes out in a paper-cover edition, Doug and Norton probably will split 4% of the retail price of the first 150,000 reprints and 6% thereafter — the usual arrangement on paper-backs. If the paper-back sold 800,000 copies at 35 cents, Doug and Norton would split a \$5,250 pot.

When a book is bought for movies, plays or television, the arrangements usually are a matter of negotiation.

In the case of Damn Yankees, publisher Norton was not involved at all. Doug co-authored the script with author-director George Abbott. What the arrangements are for splitting the take from the script, Doug declines to say. However, the play probably has accounted for about 70% of all Doug's income from Yankees.

Mundane Matters

Doug spends very little time with such mundane matters, however. These are handled by his agent, one of about 200 literary agents in business around the country. Doug's agent is Curtis Brown, Ltd., in New York, which has assigned Miss Naomi Burton to handle most of his affairs. Doug forks over 10% of his gross earnings from writing to Curtis Brown and, in return, Miss Burton undertakes to sell his books to publishers, look after his interests in reprints of the books, movie rights, and any

other business affairs that pop up in relation to his writings.

Doug quickly learned the value of an agent when he tried to sell his first novel, Night Light. He sent the manuscript to Random House in New York without the services of an agent, and it was promptly turned down. On his second try, he enlisted the services of Miss Burton. Within a month she had placed the book with Norton.

In most cases, 95% of the royalties from a book come in the first year after its publication and during that one prosperous year, income taxes take out a big bite. Thus, most authors have to turn out a continuous stream of books to remain prosperous.

Not many books have the success of Doug's Yankees, and even Yankees was not a best seller. A book usually needs a first year book store sale of at least 50,000 original copies to make the annual list of the 10 best sellers in the urban trade magazine, Publishers' Weekly. Last year's P.W. fiction list included six books with sales of over 100,000 copies. Top book was Don't Go Near the Water by William Brinkley, with sales of 185,000 copies; Alex Waugh's Island in the Sun was tenth with 53,000 copies. Book club and reprint sales aren't counted in best seller statistics.

Break Even at 5,000

Doug's two other novels, Night Light and Sunken Garden, are considered about average in the adult fiction class of books. Night Light sold about 2,500 hard cover copies and Sunken Garden, published after Doug's fame with Yankees, sold some 5,000 copies. The break-even point, from the publishers' view, is about 5,000 copies for a novel.

The precariousness of an author's financial life has left its mark on Doug. He still keeps a firm hold on a share of his family's insurance brokerage business in Washington, D.C., which he joined in 1930 to support himself while trying to write his first book. The business has supplied an average of about 30% of his income since his first book was published.

Another Yankees?

This is not an unusual situation among authors. Publishers in New York make off-hand estimates there are probably less than 30 writers of fiction or non-fiction today who are relying solely on their writings for an income. Most others work as news reporters, columnists, teachers, or have some other outside income.

The uncertain future of an author holds other worries for Doug, too. "I don't know whether I can turn out another Yankees," he says seriously. "I wonder if I've shot my bolt and won't be able to shoot it again."

It's also meant he has had to compromise the type of writing he does. His strongest desire is to be a "serious" writer.

But last month after his return from "a summer sabbatical of loafing," he realized that he should begin writing again. He had a choice: Return in a third serious novel he started about a year ago or start a new book in a light vein like Yankees which would have a better chance of success.

"Question of Money"

"It's a question of money," he explains. "It's pretty hard to resist the temptation to

write the 'quickie' rather than emulate the authors you really admire."

The final decision was to take the "quickie." Consequently, he is now working on a second fantasy, this one about dogs in which Harry, Doug's Irish setter, may figure as a principal character.

Less concerned about Doug's future, however, is Eric P. Swenson, thin, bow-tied editor at Norton's. "I don't think for a moment Doug hasn't all the capabilities of a top-ranking author," he says. "He's deadly serious about his writing and he has the craft. To my mind, the guy's main problem is deciding whether he is a serious novelist or if he wants to turn out entertainment."

The young author does most of his writing out of doors, usually slumped in an old rocking chair on the long, white-pillared front porch of the Arlington home. On sharp winter days you might find him there scribbling away while wrapped in a heavy overcoat.

A Split Schedule

His present schedule calls for do-it-yourself around the house from eight to ten o'clock in the morning, then a couple of hours of writing, a leisurely lunch until two, insurance business from two to six and then, after supper, writing or insurance work until ten in the evening.

He is a fast writer. "At optimum speeds I can turn out six to eight workable pages a day," he says. He uses shorthand if his ideas are flowing smoothly, or long hand if he needs to ponder. He often puts down entire chapters by hand in a stenographer's notebook before typing it up.

Doug has been on the fringes of the literary world most of his adult career. In 1948, after a short time as a desk clerk at a hotel in Ocean City, Md., he grabbed an offer by Doubleday & Co., Inc., to serve as secretary for one of their authors, Dwight D. Eisenhower, who needed a man to take dictation for his book, Crusade in Europe. Doug, who had learned shorthand in college, soon found himself taking down Mr. Eisenhower's remarks as the retired general paced up and down his office in his home at Fort Meyer, Va.

"I was amazed at how well Ike could recall names, battles and troops without checking the records," says Doug, who, incidentally, is a life-long Democrat. "I don't know if I would call him brilliant, but he did have a beautifully organized mind and a retentive memory."

Cosden Petroleum Net In Fiscal 1958 Expected To Rise to \$2.71 a Share

By a WALL STREET JOURNAL Staff Reporter
BIG SPRING, Texas—Cosden Petroleum Co. net profits should rise to about \$7 million for the fiscal year ending April 30, 1958, equal to about \$2.71 a share, R. L. Tollett, president, told stockholders at the annual meeting.

Last year the company earned \$6,046,190 or \$2.34 a share.

He added that gross revenue for the year is expected to reach \$95 million, up from \$71,921,997 in fiscal 1957.

Utah Power & Light

UTAH POWER & LIGHT CO. and subsidiary report:
1957 1956
a-Earnings per share \$1.84 \$1.70
August gross 3,744,885 3,178,839
b-Net income 860,245 580,818
12 months gross 42,650,809 40,812,735
b-Net income 8,175,338 7,558,098
Capital shares 4,440,000 c-4,440,000
c-For 12 months ended August 31. d-After taxes and charges. e-Adjusted to reflect two-for-one stock split in October, 1956.



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A booklet, "Development of a New Brewery," which describes this interesting plant in more detail, is available on request.

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the real news in the evening paper

THE headlines were all of battles in France, but for him, the real news was in the rolled-up paper itself. And a good thing, too — for what he saw was destined to turn a primitive steel-splicing method into the world's most useful metalworking technique.

Bright and eager — with the restless, inquiring mind of a born scientist — the young man couldn't stop thinking about the project he was on at A. O. Smith. A research team had been assigned to find a substitute for imported asbestos-covered electrodes, made virtually unobtainable by enemy U-boats, desperately needed for welding aerial bombs. Problem was to develop a cover with a burning rate that could be controlled to make welds pliable yet tough.

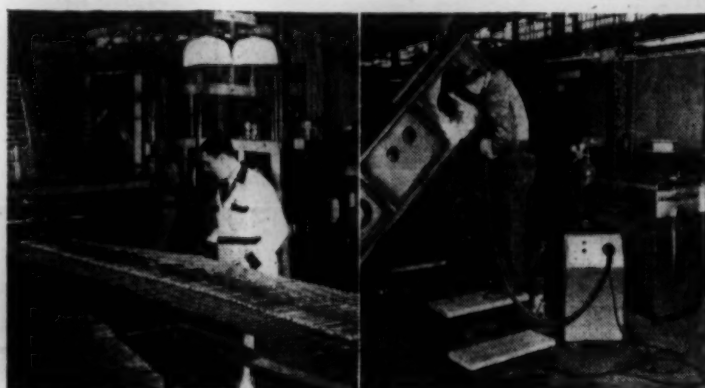
THE search was frustrating — brittle welds, weak welds — until the night he suddenly saw the answer in that rolled-up newspaper. Why not paper-wrapped electrodes? Control the burning rate by treating the paper with sodium silicate which was being used to fireproof things as flimsy as theater curtains.

Sounds almost too simple — but it worked. Electrodes with arc-shielding wrappers of fireproofed paper produced welds that withstood shock and pressure... that possessed ductility far beyond anything known before... at a cost that would make production welding truly practical.

It was the beginning of a new industry in which A. O. Smith would continue to pace progress. All because of a young researcher... working for people who would listen (and who've never stopped listening) to good ideas.

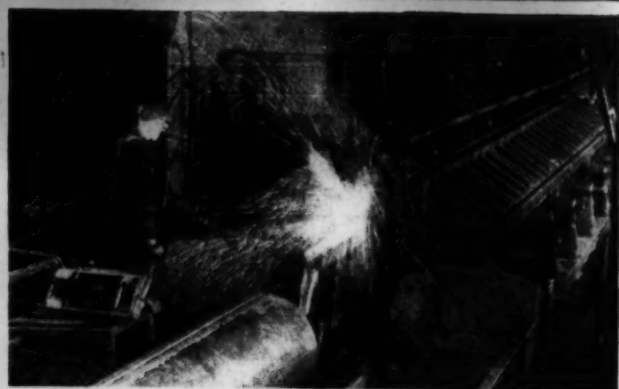


How we work steel to make steel work for you



Wrapped electrodes were just the start. A. O. Smith researchers soon perfected extruded-coating electrodes — to make arc welding the most widely used production technique. Today, A. O. Smith manufactures more than 70 different types, preferred for performance by fabricators everywhere.

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Gulf Oil May Quit Import Plan If Quotas Change

Company Indicates It Would
Not Comply If Other
Firms Win Increases

Losses Under Program Cited

WASHINGTON—(AP)—The Gulf Oil Corp. asserted today it may quit complying with the Government's voluntary oil import curtailment program if quota schedules set up among various importers are changed.

The position was stated in a letter signed by David Proctor, executive vice president of the company with headquarters in Pittsburgh. The letter was received by Navy Capt. M. V. Carson, Jr., administrator of the program.

Observing that Gulf has been in the oil import business since 1930 and has \$700 million dollars invested in foreign production and East Coast plants to refine imports Mr. Proctor wrote in reference to the recently inaugurated import curtailment program:

"It must have been completely apparent to all concerned, both in industry and Government, that any program designed to restrict oil imports would of necessity give rise to inequities and hardship."

He said the program calls on Gulf to cut its imports by 41,400 barrels daily and that under present schedules Gulf must lay up surplus tankers or charter them at "present low-market rates and accept our losses."

"We are now concerned with any action that may change the current program," he continued.

"This would require Gulf to re-evaluate its earlier decision to comply with the program." Carson read Gulf's letter aloud at hearings on a petition by North-Western Refining Co., St. Paul Park, Minn., for an increase in its import quota.

Several other oil companies have appealed to the Government for hearings on their oil import quotas, indicating that they want the quotas raised.

Dividend News

A. O. Smith Corp. directors approved the previously proposed two-for-one stock split. The split will be distributed on September 20 to stock of record September 16. The directors also voted a dividend of 40 cents on the new shares plus a stock dividend of 2%, both payable November 1 to stock of record October 1. The company paid 70 cents quarterly on the old shares.

Dividends Reported September 16

Company	Period	Amount	Record date	Payable date
Amer. Mig. (Del.)	Q	2.25	10-1-57	9-25
Am. of Douglas (Am.)	Q	1.15	9-30-57	9-20
Barium Steel	Q	1.15	10-15-57	10-1
Barker Bros.	Q	25	9-30-57	9-23
Barker Bros. 4 1/2% pf	Q	50 1/2	10-1-57	9-23
Capital Records	Q	25	9-30-57	9-17
Detroit Edison	Q	5.30	10-15-57	9-25
Detroit Int. Bridge	Q	3.35	9-27-57	9-20
(C)-Distribution				
Douglas Oil Calif. pf	Q	24 1/4	12-1-57	11-16
Dupont Freres Ltd. et al	Q	12	11-15-57	10-31
First Amer. NB (Nashville)	Q	32 1/2	10-1-57	9-20
Fulmer Mig.	Q	50	10-1-57	9-20
Guaranty Trust Canada	Q	17 1/2	10-15-57	9-30
Horn & Hardart Bk. (N. J.)	Q	2.00	9-28-57	9-16
Ingram & Bell Ltd. pf	Q	15	10-20-57	10-13
Inland Nat. Gas Ltd. pf	Q	25	10-15-57	9-27
Institutional Gro. Fund	Q	8.22	11-1-57	10-1
(A) & cents from investment income and 18 cents from securities profits				
Mass. Investors Trust	Q	50	10-25-57	9-30
Matheson & Haggler Zinc	Q	5.30	10-21-57	10-1
McLean Industries et al	Q	1.10	10-31-57	10-31
McLean Industries pf	Q	75	10-1-57	9-19
Minn. & Ontario Paper	Q	50	11-1-57	10-23
Murray Ohio Mig.	Q	50	10-1-57	9-25
Nail Fuel Gas	Q	1.27 1/2	10-15-57	9-30
Neda Pump	Q	35	10-1-57	9-20
Robertson (P. L.) Mig. Ltd.	Q	1.30	10-1-57	9-20
Robt. (P.L.) Mig. Ltd. pf	Q	25	10-1-57	9-20
Rohr Aircraft	Q	2.35	10-31-57	10-10
Russell (F. C.) Co.	(No action Sept. 13, 1957)			
Selected Amer. Shares	Q	5.07	10-20-57	9-30
(V)-On capital				
Smith (A. O.) Corp. (new)	Q	40	11-1-57	10-1
Smith (A. O.) Corp. (new)	Q	25	11-1-57	10-1
Sid. Thomson Sh. et al	Q	117.10	10-1-57	9-20
Sterehi. Rec. et al	Q	35	12-10-57	11-26
White Harder Lt. Ltd. pf	Q	70	10-1-57	9-20
Wood (John) Ind. Ltd. et al	Q	5.30	10-1-57	9-20

Stocks Ex-Dividend September 18

Company	Period	Amount	Record date	Payable date
Alliway Corp. 34 pf. et al	Q	2.00	10-1-57	9-23
Amerace Corp.	Q	1 1/2	10-1-57	9-23
Amerace Corp.	Q	25	10-1-57	9-23
Amer. Mig. Co. (Del.)	Q	25	10-1-57	9-23
Bickford Inc. (Md.)	Q	30	10-1-57	9-23
Bills & Laughlin	Q	45	9-30-57	9-23
Chie. Girl Wash. Rwy	Q	50	9-30-57	9-23
Chie. Girl Wash. Rwy 3 1/2% pf	Q	82 1/2	9-30-57	9-23
Clarendon Mig.	Q	60	10-1-57	9-23
Comw. Edison	Q	30	11-1-57	9-23
Comw. Edison 4 1/2% pf	Q	116	11-1-57	9-23
Dalch Crystal Dairies	Q	15	10-1-57	9-23
Gen. Brown	Q	37 1/2	9-30-57	9-23
Gen. Realty & Util.	Q	30	9-30-57	9-23
Hertz Corp.	Q	30	9-30-57	9-23
Heinz (H. J.)	Q	55	10-10-57	9-23
Maracabo Oil Expl.	Q	1.00	10-1-57	9-23
Natl. Cash Register	Q	30	10-15-57	9-23
Pacific Gas & El.	Q	60	10-15-57	9-23
Philip Morris	Q	75	10-15-57	9-23
Quaker Data	Q	45	10-15-57	9-23
Quaker Data pf	Q	1.50	10-15-57	9-23
Schick Inc.	Q	50	9-30-57	9-23
Schick Inc.	Q	25	9-30-57	9-23
Transue & Williams St.	Q	45	9-30-57	9-23
U. S. Foreign Securities	Q	27 1/2	10-15-57	9-23
U. S. Small Ref. & M. pf	Q	50	10-1-57	9-23
Wayne Knitting Mills	Q	50	10-1-57	9-23

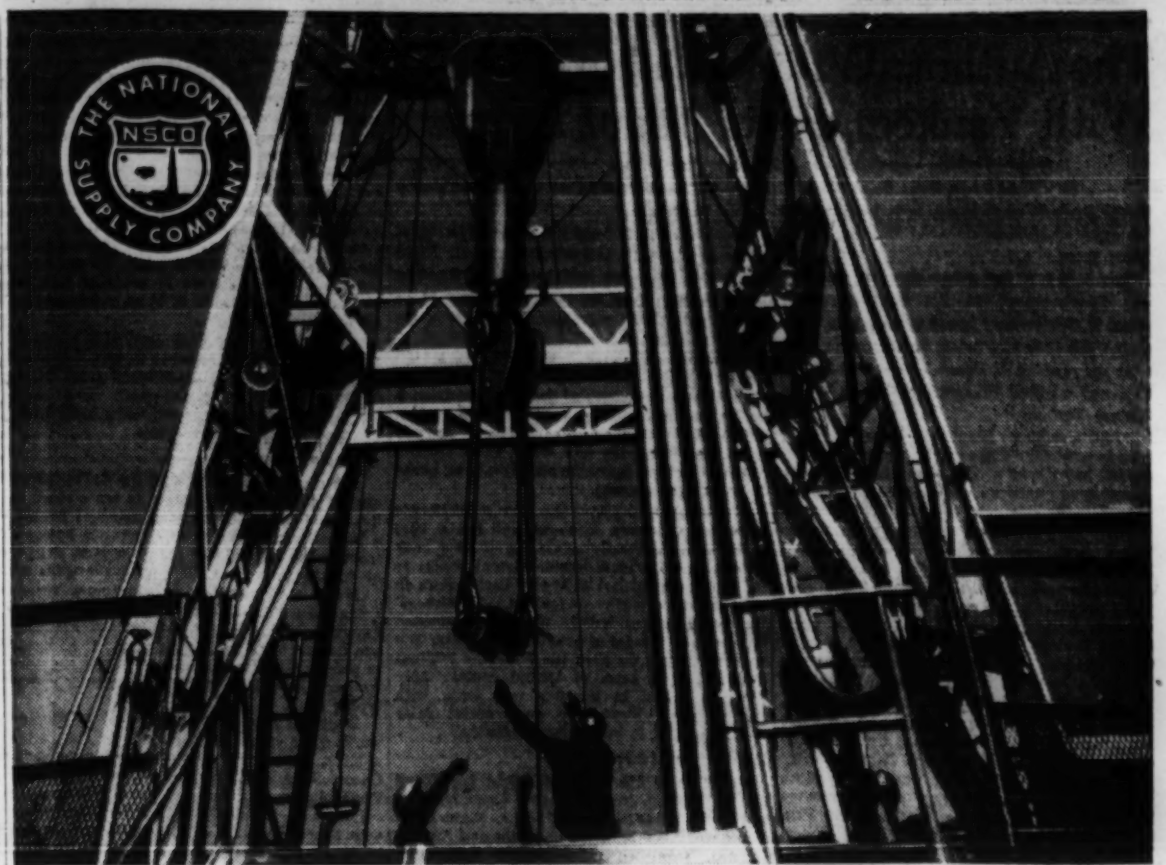
Q, quarterly; A, semi-annual; R, resumed; G, interim; A, annual; Ac, accumulation; E, extra; F, final; In, initial; L, liquidation; M, monthly; Sp, special.
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coated tubing in several hundred wells. Uncoated tubing became clogged with paraffin, had to be swabbed each week. Now—because the smooth plastic affords paraffin a poor grip—the tubing requires cleaning only once a month.

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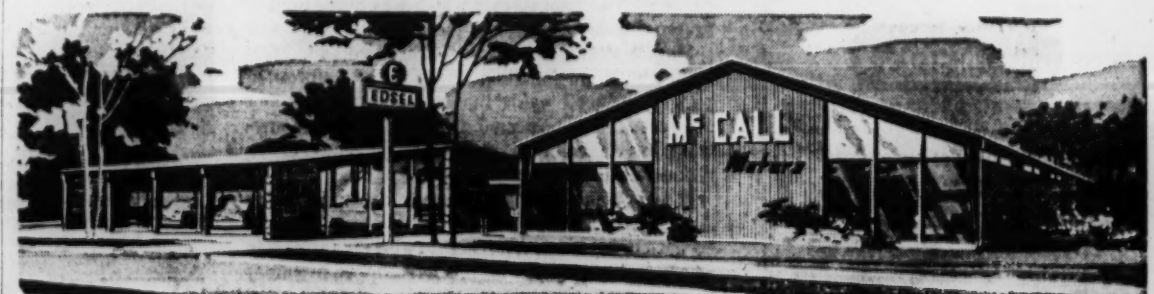
So, although we don't make or sell cars, providing buildings for car dealerships is part of our business. Consequently we have a vital interest in the new Edsel. We and our Butler Builders have been planning and working with many local Edsel dealers to provide distinctive modern buildings for your convenience. And, if you are interested in other Butler System Buildings for commerce or industry, your Butler Builder is listed in the Yellow Pages under "Buildings" or "Steel Buildings." Or write us direct.



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Obstacle Golf Course

I read recently where a man golfed his way to the top of Mount Fujiyama, Japan. It took him 10 hours and 50 minutes, 1,275 strokes and he lost 27 golf balls.



It was a pretty tough course. In addition to chipping over fissures, hooking around mountain goats and scaling sheer precipices, he had to play through rain, sleet and snow.

Your golf course may not be as difficult as Mount Fujiyama, but weather can be a real obstacle. A little advance warning may keep you from being drenched miles from the clubhouse. So, as a community service Con Edison brings you eleven complete weather reports every week end (Saturdays and Sundays) over radio station WQXR. Tune in and keep ahead of the weather. That goes for fishing enthusiasts and week enders, too.

Uncle Wethbee

See Uncle Wethbee and the Antitrust on TV
11:30 a.m. WQXR-TV, Ch. 4, 11:30 p.m., WQXR

Con Edison

Bethlehem Steel Maps Expansion For Youngstown

It Would Spend \$358 Million On Plants in Midwest If Merger Is Approved

Reply Filed in Antitrust Suit

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Bethlehem Steel Corp. plans to spend \$358 million to expand the Youngstown Sheet & Tube Co. plants in the Midwest, if merger of the two companies is approved.

Bethlehem's intentions were disclosed by Arthur B. Homer, president, in affidavits filed by Bethlehem and Youngstown Sheet with Federal Judge Edward Weinfeld. Bethlehem and Youngstown Sheet are formally opposing the Department of Justice's motion of June 13 seeking a summary judgment to enjoin the proposed merger of the two companies.

The Government originally filed suit against the proposed merger last December under a section of the antitrust laws that so far hasn't been fully tested in court. The suit followed an announcement by the companies that they were going ahead with the long-pending combination, terms for which have never been disclosed.

The affidavits did not give the exact time in which the proposed expansion of Youngstown Sheet would take place, but stated it would be in a relatively short period.

Economists' Affidavits Filed

Affidavits of four economists in support of the companies' motion were also filed in Federal Court here.

The largest expenditure in the proposed expansion plan would be about \$285 million to increase ingot capacity by two million tons in the Chicago area. This sum also would provide for the construction of new finishing mills for structural and plate steel.

"This would enable Bethlehem to provide consumers in the Mid-Continent area with a new and important source of heavy structural and plate which for many years have been in short supply in this area," Mr. Homer said.

Some of the new finishing facilities would be installed on property recently acquired by Bethlehem near the Youngstown plant in Porter County on Lake Michigan. Steel for this project would be supplied from the expanded steel making facilities of Youngstown's present plant.

At Youngstown, Ohio, Bethlehem's plan calls for the expenditure of about \$90 million to increase plant capacity by 600,000 ingot tons and provide additional finishing capacity for hot rolled and cold rolled sheet.

The answering papers filed by the two companies included, in addition to the affidavits of Mr. Homer and the four economists, affidavits by George McCuskey, vice president of Youngstown Sheet, and C. H. Weikel, manager of commercial research and industrial development for Bethlehem.

Mr. Homer and Mr. McCuskey said in their affidavits that the steel industry is under constant challenge to provide an adequate

supply of steel and that the greatest growth in demand for steel products in the next 15 or 20 years is expected to take place in the Mid-west. The officials said Bethlehem cannot be a potential factor in serving the area from its East Coast and West Coast plants and Youngstown does not have the resources to carry out a sufficient expansion of its plant.

"Bethlehem," Mr. Homer said, "is seeking the merger because it desires to serve the Mid-Continent consuming area that it cannot economically reach from its present plants. In order to reach that market, Bethlehem has elected to merge with Youngstown and then expand the latter's existing plant, rather than itself build a new, integrated steel plant in the Mid-Continent area."

The Government last December sought an injunction to block the proposed merger on the ground it would substantially lessen competition, or tend to create a monopoly in violation of the antitrust laws. In June, the Government moved for a summary court judgment that the merger would violate the antitrust laws. This action was designed to by-pass some lengthy court formalities.

The papers filed yesterday by Bethlehem and Youngstown Sheet were the companies' answers to the Government's motion. The Government now has until October 15 to file briefs in reply to the companies' papers. The companies will then be given an additional 10 days to file additional briefs.

Early November Decision Expected

The judge is expected to rule on the case early in November. If the decision favors the Government, Bethlehem said it would appeal to the U. S. Supreme Court.

The four economists who supported the merger in affidavits are: Dr. A. D. H. Kaplan, senior staff member of the Brookings Institution; Dr. John Perry Miller, professor of economics at Yale University; Dr. Ben W. Lewis, professor of economics and chairman of the Department of Economics at Oberlin College; and Dr. Paul W. Cook, Jr., a member of the faculty of the Graduate School of Business Administration, Harvard University.

Maps, charts and numerous schedules designed to show the merger will not result in reduced competition in the steel industry, but will actually enhance it, were filed by Mr. Weikel, Bethlehem's commercial research manager.

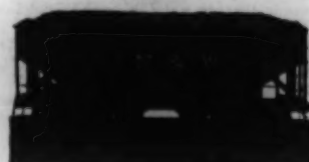
Bethlehem's president emphasized in his affidavit that building a new, integrated steel plant in the Midwest would involve "prohibitive costs per ton of new capacity and vastly greater capital resources than are available to Bethlehem."

Breakdown of Boost Plans

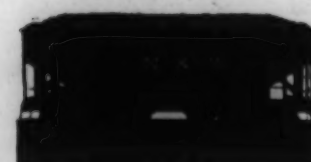
A breakdown of the additional annual finishing capacity that would be added to the Youngstown plants under the proposed expansion plan shows a projected increase of 42,000 net tons of hot rolled sheet and 543,000 tons of cold rolled sheet in the Youngstown area. In the Chicago area, the program calls for an additional 450,000 tons capacity for sheared plate; 540,000 tons of structural shapes, wide flange; 180,000 tons of standard heavy structural; 137,500 tons of hot rolled bars and 120,000 tons of rolled steel wheel. The combined total for the Youngstown and Chicago areas is 2,038,500 tons of new finishing capacity.

As of January 1, 1957, Bethlehem's annual ingot capacity was 20,500,000 net tons, and Youngstown's annual ingot capacity was 6,240,000 net tons. This compares with an annual ingot capacity for U. S. Steel Corp. of 39,582,000 net tons and a total annual ingot capacity for the industry of 133,459,150 net tons as of the same date.

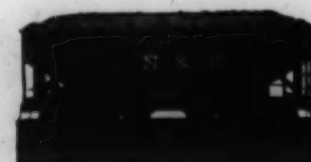
Limestone...



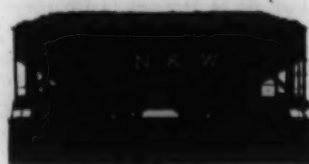
for CEMENT



for CHEMICAL LIME



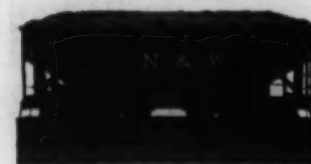
for ALKALIES



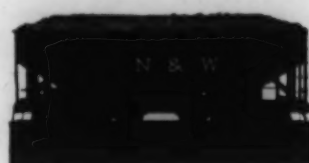
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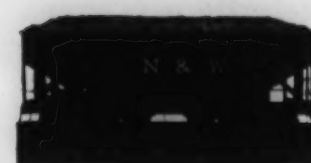
for GLASS



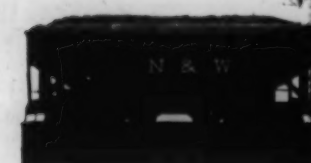
for SOIL CONDITIONING



for WATER PURIFICATION



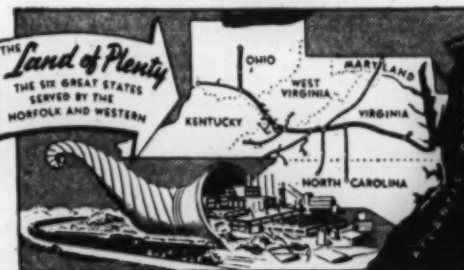
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SILICA (SiO ₂)	34%	30%	34%
IRON OXIDE (Fe ₂ O ₃)	.072	.043	.049
ALUMINA (Al ₂ O ₃)	.31	.20	.19
LIME (CaO)	55.00	54.90	55.40
MAGNESIA (MgO)	.45	.47	.51
SULPHUR (S)	.012	.011	.013
PHOSPHORUS (P)	.004	.004	.009
IGNITION LOSS	43.30	43.30	43.30
CALCIUM CARBONATE (Calculated)	97.90	97.72	98.51
MAGNESIUM CARBONATE (Calculated)	1.34	1.30	1.07

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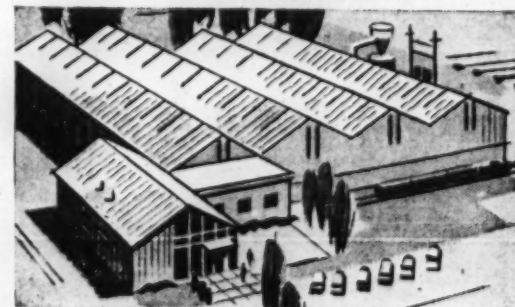
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Adenauer's Victory at Polls Boosts Dr. Erhard's Chances as Successor

Continued From First Page

conomic experts here believe, and he may have to carry much of this load alone: Reports multiply that his chief partner in the German economic revival, Finance Minister Fritz Schaeffer, famed for balanced budgets and hard money, may not last long in the new Adenauer cabinet.

Some business groups are gunning for Mr. Schaeffer in hopes of winning some easing in the tight money policy and tax relief, and some of his cabinet colleagues are wearying of his budget penny pinching.

In the wee hours of yesterday morning a C.D.U. party official ticking off possible cabinet changes, said meaningfully: "Schaeffer will surely be renamed to the cabinet—the question is how long he will remain."

Some American officials, it should be noted, pool the idea that Dr. Adenauer would ditch Mr. Schaeffer, a senior member of the affiliated Christian Social Union. Instead they suggest that Dr. Adenauer could overrule him on policy if need be to placate grumbling businessmen or bureaucrats. It's also possible that the elderly Mr. Schaeffer might decide to step down.

Money Policy Arouses Anger

There's no doubt that some business groups are indeed angry about the Adenauer government's strict tight money policy. The policy has been to damp down inflation by controlling credit through such monetary measures as requiring high discount rates at the central bank and high reserve requirements for commercial banks.

This has obliged German industry to finance much of its eye-popping postwar expansion out of profits and has forced interest on short-term business loans and mortgages up to 8% to 10%.

"Schaeffer has the hardest head in the government," blusters an expert at the influential German Industrial Federation. He adds: "He's no friend of industry." Even if such talk should lead to Mr. Schaeffer's departure, however, few observers look for a significant easing in the Adenauer regime's tight money policy although they do not rule out some concessions to industry.

Some likely prospects: Some across the board tax relief featuring tax exemptions for business earnings invested in plant expansion, with a possible government deficit to be paid for not from borrowing but from a hefty surplus kitty in the government treasury.

This surplus in the treasury was last officially reported to amount to some six billion German marks (\$1.4 billion) at the beginning of the year.

Switch Appears Unlikely

Any big switch in the Adenauer anti-inflation program, however, was rated unlikely before the election and looks even more unlikely to most experts now in light of the big C.D.U. victory. Germany's fear of inflation is deep seated, tracing back to the 1923 debacle as a result of the vicious post-World War I inflationary spiral.

Tight money is not the only government policy businessmen grumble about. The Bundestag last spring passed a watered-down anti-cartel law designed to discourage resurrection of the old prewar German industrial combines. And Dr. Erhard made no secret of his view that the law left too many loopholes.

But these complaints are more than offset in most businessmen's minds by the economics minister's success in nurturing German prosperity and by admiration of his methods—casting off controls and embracing free-economy principles. Many businessmen, looking at neighboring France, also are not so upset over the impact of tight money on their operations as to overlook the benefits they and their country have enjoyed as a result of inflation being kept in check.

Dr. Adenauer saw to it that his economics minister was featured heavily in poster and other campaign propaganda, but business groups, not satisfied with these efforts, poured untold sums into hundreds of full-page newspaper advertisements extolling Dr. Erhard's virtues.

A Western economist declares, "The industry crowd may kick up a fuss about high taxes and tight money but they have only to look around a moment to realize that they never had it so good."

Statistics bear this out: Since 1950 total industry production has doubled; exports have risen from \$300 million a year in 1951 to nearly \$700 million last year; Germany's bombed out and dismantled steel mills have upped output from a monthly average of a mere one million tons in 1950 to nearly two million tons a month currently.

Holding the Price Line

Over the postwar period prices and wages have indeed risen but at a rate far below Germany's European neighbors. The consumer price index has climbed 15% since 1950 while

French prices have risen almost 80%. In every country of Europe except Switzerland prices have risen faster than Germany's since 1950.

German labor unions have scarcely invoked the strike weapon in the entire postwar period and still have won wage boosts averaging 8% a year in the past three years. The unions, to be sure, are reportedly readying stiff demands this fall, but labor specialists are confident of settlements on "moderate" pay hikes without walkouts.

"Inflationary pressures may build up some this fall," says a top Western economist here, noting reports that unions have been holding off wage demands until after the weekend voting and that some businessmen may have been holding up price boosts, too. But the consensus is that no big inflationary wage price spurt is on the way.

That organized labor is not too displeased with life under the rigorous anti-inflationary policy of Dr. Erhard is seen by some analysts in a marked pickup in C.D.U. support in the industrial Ruhr area in Sunday's balloting.

If Professor Erhard is popular all around it should be noted that he is not all-powerful even in his own party. The C.D.U., though popularly rated a right of center party runs the lary rated a right of center party, boasts a claim credit for roughly one-third of its vote and it's worth remembering that some 30% of the C.D.U. Bundestag members earlier this year voted with the Socialists and against a constitutional amendment which would have outlawed nationalization of industry.

Plenty of Competition

As a candidate for chancellor, Dr. Erhard would find plenty of competition in his party, including such campaign luminaries as fiery Defense Minister Franz Josef Strauss, and steady but colorless Foreign Minister Heinrich von Brentano.

Moreover the 59-year-old economics minister and former professor has not built up much of a personal political machine and some observers think his popularity with the public might be of little use without stronger party backing. Nevertheless, authorities agree that the odds on the crusading, free-enterprising professor in a future chancellorship race have been shortened considerably by the election results.

Regardless of whether he ever gets the top job, his retention in the influential post of economics minister in the government is assured when Dr. Adenauer gets around to forming a new cabinet next month. "There may be some switches," says a C.D.U. party official, "but you can mark Erhard down as certain."

American Molasses

AMERICAN MOLASSES CO. and subsidiaries report for the fiscal year ended June 30:

	1957	1956	1955
a-Earnings per share	\$2.35	\$2.47	\$1.95
Net sales	\$4,300,043	\$6,439,367	\$7,211,160
Net before income tax	2,441,190	3,210,055	1,960,150
Income taxes	1,176,841	804,615	912,637
Net income	1,264,349	1,405,440	1,047,513
Current assets	15,437,854	13,079,283	12,287,179
Current liabilities	8,079,272	6,536,156	6,363,415
Capital shares	6,337,151	6,311,273	487,211

a-Based in all periods on 537,151 shares of capital stock outstanding after payment of 5% stock dividend on July 31, 1957. b-Includes shares issued in payment of stock dividends after the close of the fiscal year. c-After federal income tax reductions due to net operating loss carry-forward deductions amounting to \$15,000 in 1957, \$272,000 in 1956 and \$35,000 in 1955.

The American Market: a Look Ahead

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- Elevated Temperature Facility for General Electric — Evendale, O.
- Navy Aero Ballistic Facility — White Oak, Md.
- High Temperature Facility for Wright Air Development Center — Dayton, O.
- Animal Disease Laboratory for the Dept. of Agriculture — Plum Island, N. Y.
- Biological Laboratory for the Army Chemical Corps — Fort Detrick, Md.

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Business Milestones

General Outdoor Buys Canadian Advertising Firm for \$5 Million

By WALL STREET JOURNAL Staff Reporter
CHICAGO — General Outdoor Advertising Co., Inc., has bought control of a large Canadian advertising company for \$5 million, it was announced by Burr L. Robbins, president. Mr. Robbins said about 90% of the outstanding shares of Claude Neon General Advertising, Ltd., of Montreal have been purchased and offers to buy the remaining shares have been made to the other stockholders. Claude Neon is a holding and operating company which directly and through its subsidiaries serves the provinces of Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba and Saskatchewan. The net earnings of Claude Neon and its subsidiary companies were \$495,000 in 1956. The management of the company will remain unchanged.

West German Bonds Rise In London Stock Market On Adenauer Victory

By WALL STREET JOURNAL Staff Reporter
LONDON — Dr. Adenauer's West German election victory Sunday stimulated demand for West German bonds in the London stock market yesterday and the bonds showed gains ranging to the equivalent of 3%.

British government bonds were mixed and quiet, however, and the stock market in general was slightly easier.

Copper shares were firm early on news that the British government decided to postpone sales of copper from its stockpile, but turned downward later in sympathy with declines in the metal's price on the London Metal Exchange. Light but persistent selling depressed oil shares and prices at the close showed losses ranging to the equivalent of half a dollar.

FRANKFURT, Germany—(AP)—West German stock exchanges reported brisk business and rising prices following Sunday's election victory of Chancellor Adenauer's Christian Democrats.

Shares of the big industrial concerns of the Ruhr showed gains ranging to 14 points, while average issues rose four to five points.

Business leaders had feared an opposition victory would have led to large scale nationalization.

London Stock Averages

London Fin. Times Gov't Reuters Indexes
Com. Sh. Index Secur. Indust. Kaffirs
Sept. 16 193.2 - 0.5 72.8 218.3 68.8
Sept. 17 193.7 + 0.5 72.8 218.5 69.1
Sept. 18 193.1 - 1.8 72.8 217.8 69.4

LONDON—(AP)—British stock closings, in sterling:

Anglo-Am. of S. Africa	154	90	Montreal Chem.	154	90
Anglo-Newfield Dev.	52 1/2	84	Mount Isa Mines	204	90
Assoc. Elec. Ind.	41 1/2	84	Rand Mines	70 1/2	90
Babcock & Wilcox	7 1/2	66	Rhodian Am.	8 1/2	41 1/2
Blythwoods	21 1/2	84	Rhodian Corp.	6 1/2	84
Borax Hedges Ltd.	26 1/2	36	Rolla-Royce	11 1/2	90
Brewster Pap. Ltd.	35 1/2	36	Shell T. & T.	18 1/2	84
Brit. Alumin.	53 1/2	71 1/2	Stewart & Lloyd	23 1/2	84
Brit. Amer. Tob.	48 1/2	71 1/2	Tanganyika Com.	130 1/2	71 1/2
Brit. Pet. Co. Ltd.	17 1/2	31 1/2	Unilever Ltd.	31 1/2	84
Burmah Oil	90 1/2	15 1/2	United Melanesia	33 1/2	15 1/2
Central Mining	44 1/2	41 1/2	United Steel Corp.	20 1/2	15 1/2
Courtauld	31 1/2	10 1/2	United Sta. Btong	30 1/2	71 1/2
Dagbani	30 1/2	30 1/2	Vickers Ltd.	27 1/2	84
De Beers Ltd.	10 1/2	90	West. Holdings	27 1/2	71 1/2
De Havilland	20 1/2	71 1/2	West. Reefs	27 1/2	71 1/2
Distillers	22 1/2	10 1/2	Woolworth	44 1/2	41 1/2
Dunlop Rubber	18 1/2	36			
Electric & M. Ind.	34 1/2	36			
Ford Ltd.	32 1/2	84			
Free St. Goldfield	7 1/2	66			
General Elec. Ltd.	44 1/2	84			
G. L. Un. Ltd.	30 1/2	71 1/2			
Hawker Siddeley	34 1/2	34 1/2			
Hudson's Bay Co.	22 1/2	34 1/2			
Imperial Chem.	41 1/2	34 1/2			
Imperial Tob.	48 1/2	84			
Metal Box	32 1/2	84			
Mechan. Eagle	23 1/2	84			

main predominantly Canadian with the exception of Mr. Robbins, who will act as president, and Donovan M. Olson, treasurer of General Outdoor, who also will serve in that capacity for the Canadian company.

To finance this purchase, General Outdoor has obtained a bank loan of \$4 million at an annual interest rate of 4 1/2% to be retired over an eight-year period. The balance of the funds came from the company's treasury.

Pfaudler, Permutit Holders Approve Merger Proposal

NEW YORK—Stockholders of Pfaudler Co. and Permutit Co. overwhelmingly approved at special meetings a management-sponsored proposal to merge the two companies under the name Pfaudler-Permutit Inc.

Under the agreement, holders of the 249,242 outstanding shares of Pfaudler common stock will receive 1,429 shares of the new company for each Pfaudler share held, while holders of the 220,000 shares of Permutit will exchange their holdings on a one-for-one basis. The 12 Pfaudler directors and five Permutit directors will combine to form the new board.

Stockholders of both companies will be permitted to buy or sell fractional shares in order to make a full share. The merger will be effective October 1.

Pfaudler—a manufacturer of glass-lined steel tanks and machinery—earned \$1,060,635 on sales of \$22,039,012 in the fiscal year ended May 31. Permutit—which makes water-treating equipment and specialty chemicals used in such treatment—reported a profit of \$343,592 on a volume of \$13,909,810 in 1956.

Fluor to Build \$50 Million Refinery for Commerce Oil

NEW YORK—Fluor Corp. Ltd., said it has been awarded a contract to do the mechanical design, engineer and construct a previously announced 43,000-barrel-a-day \$50 million refinery for Commerce Oil Refining Corp.

The plant will be erected on a 600-acre site on the northern end of Coniac Island, located in Narragansett Bay, near Providence, R. I.

The plant, which is scheduled for completion in the summer of 1959, will be designed primarily to produce high octane gasoline. More than 80% of its production will be 100 plus octane gasoline, it was stated.

United Air Lines Traffic Up

NEW YORK—United Air Lines said its August traffic amounted to \$18,500,000 passenger miles, an increase of 18% over a year previous and up from 488,397,000 passenger miles in July.

NEW YORK

great KLM service...

NON-STOP

NEW YORK TO CURACAO

Heart of the Caribbean...

Gateway to South America

In addition to daily flights from Miami, KLM now offers overnight service from New York to Curacao, South America and the Southern Caribbean.

Whether you choose luxurious First Class or economical Tourist accommodations, this new KLM service flies you in a few short hours to picturesque Curacao, famous "eye-spot" — buy-spot" of the Caribbean. From there, immediate onward connections to Caracas, other South American and Caribbean points. Fly KLM... you'll agree...

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TO ST. MAARTEN

TO ARUBA

TO BONAI

TO CURACAO

TO CARACAS

TO GEORGETOWN

TO PANAMA

TO PANAMA

New yardstick for measuring your profits...

TOWMOTOR MASS-HANDLING (moving more units faster, at lower cost) can well be the investment that promises greatest profit improvement as you face continually rising prices and a shrinking manpower pool. Send for new bulletin SP23.

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is a subsidiary of
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—if you or any member of your family or corporation — to create a permanent record of your life or photograph — Add Beauty, Color and Distinction to the Home Office or Board of Directors room. Make a Permanent Gift for Christmas and other Special Occasions.

Address our Studio 3004 for full details

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Over 100 Outstanding Portrait Painters
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The Ft. Lauderdale Beach Hospital
128 N. Birch Road, Ft. Lauderdale, Fla.
is now open, and is accepting reservations from corporations wishing to send their executives or other personnel in need of medical care, restorative therapy or rehabilitation. For information write:
N. A. DARI, ADMINISTRATOR

Noisy office?

Tests prove that carpet is your most economical sound control material

Recent tests disclosed two facts of great importance to any firm planning to renovate, move or install sound control material:

1. Carpet reduces noise by 50% — a sound absorption coefficient equal to that of many expensive materials installed solely for sound control.

2. Carpet cuts floor maintenance costs over 50% in heavy traffic areas where sound control is usually most necessary.

This means that you not only get new floors that cost half as much to maintain, you get the only floor covering that reduces airborne noise over 50% and almost eliminates floor impact noises completely.

In addition, of course, carpeted floors offer all the prestige and safe footing for which they've always been preferred — the home-like comfort and beauty that add immeas-

urably to employee morale and efficiency.

Send today for your free copy of "Sound Conditioning With Carpet," the complete study of carpet's ability to control airborne and impact noises. You'll discover it is the most economical control you can buy.

And if you don't already have your copy of "Cutting Costs With Carpet," a comparative study of the maintenance costs of carpeted and non-carpeted floors, ask for that, too. Write Dept. W-11, Carpet Institute, Inc., 350 Fifth Avenue, New York 1, N. Y.

Carpet's practical benefits — its economy, its quiet, its comfort — are being sold to millions, month after month, in a new full-color carpet industry advertising campaign to consumers appearing in 13 national magazines plus special campaigns to key men in business publications.

Buy carpets designed and made for the American way of life by these American manufacturers: Artloom • Beattie • Bigelow • Cabin Crafts • Needlepoint • Downs • Firth • Gulistan • Hardwick & Magee • Hightstown • Holmes • Karastan • Lees • Magee • Masland • Mohawk • Philadelphia Carpet • Roxbury • Sanford • Alexander Smith

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LOOKING SOUTH

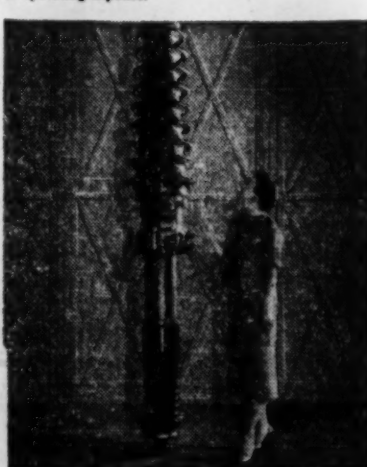


\$150 Million Electric Generating Plant ...One of Nation's Largest!

More Power for the Growing South



THROUGH TAXES PAID in 1956 The Southern Company system made a tremendous contribution to the education of these children and thousands of others throughout its four-state service area. Highway construction, public health and other important services were also aided by the companies' tax payments—representing their largest single item of operating expense.



EVERYTHING FROM gigantic substation equipment to office supplies is purchased by The Southern Company group totaling many millions of dollars each year, substantially benefiting merchants and suppliers in the four-state area and throughout the nation.

ON THE MIGHTY Coosa River in Alabama, this one-million-kilowatt steam electric generating plant is being built to supply added power for Alabama and Georgia. It will be owned and operated by the Southern Electric Generating Company, a subsidiary of Alabama Power Company and Georgia Power Company.

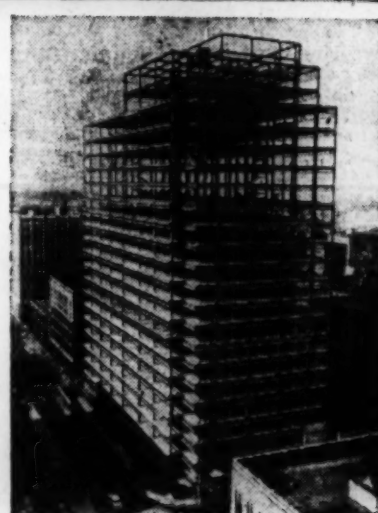
Major coal fields near the plant will supply most of the 2 1/2 million tons it will consume annually, which will add greatly to the prosperity of the region. The proximity of the fuel will result in savings in transportation costs—assuring users throughout Southern's inter-connected system of still another source of abundant, economical electricity.

To provide ample power, additional facilities costing nearly \$730 million have been built by The Southern Company and its operating affiliates—Alabama, Georgia, Gulf and Mississippi Power Companies—during the past ten years. This constitutes one of the largest expansion programs ever undertaken by any industrial group in the Southeast. In addition, these companies have contributed to the area's economic growth and development through their large payrolls, local purchases and tax payments.

The investments of over 124,000 stockholders of The Southern Company have made this ever-increasing expansion possible. Their participation evidences confidence that the last half of the twentieth century belongs to the South!



THE GIANT AIRCRAFT CARRIER U.S.S. Forrestal could steam night and day at standard speed for a third of a century on the fuel consumed last year by members of The Southern Company group to provide electric power for its users. This group's fuel bill averaged more than \$100,000 per day during 1956.



SINCE 1947, construction expenditures of The Southern Company and its affiliates have exceeded the total amount of construction permits issued in fast-growing Atlanta. The Southern Company group has spent an average of almost \$73 million per year during this period for additional facilities to meet growing electric power requirements of its four-state area. Present plans call for an investment of \$436 million in new facilities during the next three years.

Shaded section designates area served by the four investor-owned electric power companies in The Southern Company system.



Alabama Power Company • Georgia Power Company • Gulf Power Company • Mississippi Power Company
Birmingham, Alabama • Atlanta, Georgia • Gulfport, Mississippi

REVIEW and OUTLOOK

The German Election

All through the West German election campaign it was reported how apathetic the voters seemed to be. As it turns out, it was a very special sort of apathy.

Doubtless the Germans were indifferent to the issues which the Social Democrats tried to create, because to them the only real issue was the preservation of the untroubled prosperity they have had under Chancellor Adenauer's Christian Democratic Union. But they were not so indifferent as to forget that their well-being would be endangered by a socialist victory; they trooped to the polls in great numbers Sunday to give Dr. Adenauer a landslide triumph and increase the C.D.U.'s majority in parliament.

The one appeal that might have worked for the socialists proved to be a fizzle. This was their claim that they could achieve the unification of Germany, in effect by having West Germany go neutralist. The voters seemed to be more sophisticated than the socialists; they realized the enormous dangers in any such course.

More than anything else, though, this election was a stinging new repudiation of socialism and a strong new endorsement of free economy principles.

Confronted with the phenomenal results of a free economy in practice, the socialists tended to play down their socialism, threatening few drastic changes; they even suggested they could administer the prosperity better than Adenauer. Socialists, however, are obviously socialists regardless of their campaign tactics, and the German people didn't want to take a chance on what stultifying new con-

trols the socialists might impose if they were allowed to gain power.

It is no less important to note that Dr. Adenauer and his advisers—unlike "conservatives" in some other countries—never felt they had to dilute their principles in the hope of catching votes.

West Germany is far more prosperous than almost all its neighbors precisely because the government has stuck to its beliefs in the free economy. By sensible, orthodox monetary and fiscal policies it has restrained inflation; from nothing nine years ago the mark has become just about the hardest currency in Europe.

The West German government never deluded itself that it could flout economic laws in order to erect a vast welfare state. The result is a prosperity no socialist system could come near matching, and that record was all Dr. Adenauer needed to win.

Perhaps this election does not prove that socialism generally is in a state of collapse. But it certainly reinforces the view that the mood of people in most free and economically advanced countries is one of moderation—that they are fed up with socialist tinkering and its inevitable price in inflation.

There is plenty of evidence that this is the mood of the United States as well. The Democrats and "modern" Republicans who are trying to outpace each other toward socialist objectives—by whatever name—are simply out of touch with the temper of the times.

Political parallels, to be sure, can be risky. But any American politician who fails to see some plain lessons in the German election needs to have his political eyesight corrected.

Oil Slick

In two hearings last week, the Government's "voluntary" plan to curb oil imports came under heated attack.

This is natural enough, since the protesting firms are in the oil importing business. But that fact does not invalidate their complaints, for they were only noting the obvious—that the plan will freeze competitive disadvantages and result in financial penalties.

Both Mr. Swearingen of Indiana Standard and Mr. Staples of Tidewater Oil objected to the part of the formula which discriminates against "new" importers like themselves in favor of long-established importers. And, along with Mr. Sauer of Ohio Standard, they requested substantial boosts in the import quotas assigned their companies under the "voluntary" plan.

The present "arbitrary" quota, Mr. Swearingen observed, would penalize Indiana Standard, particularly with regard to a return on its brand-new \$45 million refinery at Yorktown, Virginia.

Subliminal Advertising

The use of psychology, hidden persuaders and motivation influences in selling isn't particularly new. Even the tailors of the invisible Emperor's Clothes used them successfully for a time.

But what is one to think when the Emperor seems to have no clothes on but really has and people rush out to buy, influenced by persuaders they cannot see? That, it strikes us, about sums up Mr. Henderson's story the other day about the process developed by Subliminal Projection Company.

The process is simple, however terrifying it may seem. All the company does is to stick a gadget onto a movie or TV projector which flashes messages so fast the human eye does not see them but the subconscious eye does and the message sticks. In one theatre in which this invisible advertising was tested, unseen ads every five seconds urged the audience to drink Coca-Cola and eat popcorn, and Coke sales rose 18.1 per cent while popcorn sales rose 57.7 per cent over normal. Mr. Henderson says the report claims people even left in the middle of the show to satisfy their subconscious urges induced by the unseen ads.

We'll pass over some of the more obvious uses for this ultimate weapon of the Gray Flannel Suits. What we want to know right off is whether this invisible advertising is adaptable to the home. We can envision quite a market, if the men get there first, for such subliminal ads as "the older the fur coat the more stylish it is" and, if the experts think we could get away with it, we'd personally like to try out "put out the cat yourself." Probably too much to ask, though.

Especially in view of the warning of Dr. George Klein of New York University's graduate school of psychology. Dr. Klein says there's really no way of telling how a person will react to subliminal advertising. The audience that doesn't know it's captured may come subconsciously to dislike the product.

So until some further tests are made (was it really the ads for Cokes and popcorn that made the people walk out in the middle of the picture or was it the picture?) we'd all better just accept this new invention at face value.

And face value is certainly promising, even if they go no farther with this development. From some of the TV ads we've seen, our guess is that people won't very much mind what Emperor's Clothes are being subconsciously sold just so long as the selling remains invisible.

Who's News

Management—Personnel Notes—

Coleman Succeeds L. J. Fageol As Twin Coach President

KENT, Ohio—William H. Coleman, industrialist and currently associated with the Cleveland investment banking firm of Ball, Burge & Kraus has been named president of Twin Coach Co.

Mr. Coleman succeeds L. J. Fageol who was named chairman to succeed his father, F. R. Fageol who retired.

Mr. Coleman, 39, was formerly president of Coleman-Peterson Co., a Cleveland manufacturer of wire products which was merged into Wire & Metal Manufacturing Co. in 1952. At present he is chairman of Banner Metals, Inc., Los Angeles and chairman of the board of Alco Oil & Chemical Corp. of Philadelphia.

At the same time the board elected C. W. Enyart, a Twin Coach director since 1950, as chairman of the company's executive committee.

Commerce and Industry

Chicago Great Western Railway Co.—Edward T. Riedy, president, was elected chairman also, and Robert F. McAttee became chairman of the executive committee.

Elgin National Watch Co. (Elgin, Ill.)—Dale

V. Cropsy was named vice president in charge of industrial relations, and Harold E. Rich was elected vice president and general sales manager for the watch division.

Merritt-Chapman & Scott Corp. (New York)—John W. Buskie has been elected vice president of Tennessee Products & Chemical Corp. of Nashville, a division of the chemical, paint and metallurgical department of the parent company.

Rio Tinto Co., Ltd. (London, England)—Roy W. Wright, who until recently was managing director of Rio Tinto Mining Co. of Canada, Ltd., and a director of other associated companies, has been elected a director of the English concern and of Rio Tinto Management Service (U.K.), Ltd. He has relinquished his Canadian appointments.

Laboratory for Electronics, Inc. (Boston)—Edwin D. Campbell has been appointed vice president in charge of administration.

Leeds & Northrup Co. (Philadelphia)—W. R. Schofield, vice president of this maker of electrical measuring instruments and automatic controls, was elected a director.

Towle Manufacturing Co. (Newburyport, Mass.)—C. Read McLean, vice president-sales, was elected a director of this silversmith company.

Thinking Things Over

By WILLIAM H. GRIMES

Hunting Culprits

There is one point of general agreement about the subject under discussion here. That point is that inflation exists and that it is causing a rise in prices. What is the cause of the inflation and what to do about it calls forth almost as many opinions as there are commentators.

One alleged culprit is called "administered prices." This means that there are producers, such as steel and automobile producers, who supposedly can charge what they please for their products and they charge too much.

The people who are accused of doing this are likely to reply that their prices are being forced up by increasing wages and that these increases are brought about by the power of big unions.

These two claims came into conflict recently when Mr. Walter Reuther, head of the United Automobile Workers, suggested that the big three producers—General Motors, Ford and Chrysler—cut the prices on their 1958 cars by \$100. Mr. Reuther said if this were done the union would take the fact into consideration when it negotiated the next wage contract. The automobile makers replied that the demands Mr. Reuther and his following already had won were a great factor in forcing higher prices; also that Mr. Reuther's promises as to the future were vague.

Viewing this argument, some very sincere people seem inclined to blame both producers and the union heads. They take sides with neither Mr. Reuther nor the automobile producers but in effect say "a plague on both your houses."

They suggest that the Government step in to force remedial action by both. One suggestion is that President Eisenhower call a White House conference of employees and employers and try to get them into some agreement.

It is open to grave doubts that those who are said to administer prices have the power to administer which many people suppose they have. They simply cannot set higher prices than people will pay. They are not free of the pulls and hauls of the market.

Nor have the labor leaders the powers, particularly the powers of restraint on their members, that many seem to think they have. Union members may not be economists but they know when it is possible for the leaders of their unions to negotiate higher wages. Imagine, if you can, a labor leader in position to get a wage rise, refusing to demand one. Mr. Reuther did well in not making specific promises about his future demands. Certain elements of his union thought that he did not negotiate for them as well as he might have in the last wage contract, and they are not happy about him at all.

Then there is the idea that the Government could do something by calling a conference. Back in 1929 after the stock market break Mr. Hoover, then in the White House, called such conferences. The results certainly were not phenomenal. After Mr. Hoover came the N.R.A. which was to use Government powers to force employees and employers to do certain things. That probably delayed recovery.

Mr. Hoover's conferences were attempts to halt a deflation by cooperative action sponsored by Government. The N.R.A. sought to employ the compulsory powers of Government. Neither was effective. Would such action be more effective in dealing with inflation?

All these theories and proposed remedies are based on the belief that this is not what the economists call a case of "classical" inflation; that it is not an inflation where the units of purchasing power are increasing and increasingly brought to bear on a supply of goods and services which is decreasing, stationary or not increasing in the same proportion as the units of purchasing power.

Against this view is that of the Federal Reserve which, by its refusal to take steps to increase the credit and money supply or to take steps to make credit more available to borrowers, registers its belief that the elements of a "classical" inflation are present; those elements may not be the whole cause of rising prices but they bear a responsibility.

Which of the views is right this writer does not pretend to know. It may be doubted that anyone knows. The forces that move an economy are very often not clear while they are operating and only become clear in retrospect. That may prove true in the present case.

However, it is certainly a fact that in periods of inflation men have always been inclined to deny that the cause of the inflation was a burgeoning supply of money and credit. They are inclined to seek out and assign other causes for rising prices.

It is now generally admitted that in the 1920's easy credit found its way into real estate and into the securities markets. Prices of farm and city property were bid up beyond their value and the prices of securities were taken far beyond the point that any current or prospective return on the investment justified. Yet anyone who said that at the time was considered an old sourpuss trying to halt "prosperity."

The monetary authorities went before Congressional committees to prove that their policies had nothing to do with the rising prices of real estate and securities.

Andrew Dickson White in his "Flat Money Inflation in France" writes an account of the successive issues of paper money. "Immediately after each new issue came a marked depreciation (in the value of the currency); curious it is to note the general reluctance to assign the right reason. . . A leading member of the Assembly insisted, in an elaborate speech, that the cause of depreciation was simply the want of knowledge and of confidence among the rural population. . . And one newspaper suggested that coin 'will keep on rising until the people shall have hanged a broker.'

Kodak Raises Prices 10% On Some Photographic Film

ROCHESTER, N. Y.—Eastman Kodak Co. has notified distributors that it will advance the price of photographic film for professionals and for the graphic arts trade about 10%, effective September 27.

Political Gambit

Nixon Hopes to Boost His 1960 Chances By Helping Knowland, His Chief Rival

By ALBERT CLARK

WASHINGTON—Vice President Nixon these days is involved in a seemingly strange political ploy. He's advancing his own White House ambitions by giving a boost to his only Republican rival.

With President Eisenhower out of the running in 1960, Mr. Nixon is the front-runner for the G.O.P. nomination. The only potential challenger now in sight is Senator Knowland of California. Mr. Knowland would like to move from the Senate to the Governor's chair, traditionally a better strategic base than Congress for Presidential hopefuls. And Mr. Nixon plans to help Mr. Knowland make the move.

This is neither naive nor altruism on the part of the Vice President. It may be a gamble, but it is one based on a cool calculation of the political realities. The calculation involves a knowledge of certain basic factors that affect national party conventions plus a seismographic feel for the special tremors in California politics.

The basic requirement of a Presidential candidate at a national convention is that he show the delegates first off that he has the backing of his state's party machine; signs of weakness here are fatal. Usually this is easier for Governors than Senators, which presumably is one reason why Senator Knowland decided to try for the state house job.

No Love Lost

The political power in California is at present divided three ways—among Knowland, Nixon and Governor Knight. "Goody" Knight has no love for Mr. Nixon, so his re-election would not be very helpful. Mr. Nixon himself, sitting remote in Washington, cannot seize control in California, although he does have a powerful influence. Balance of power requirements thus tend to push the Vice President onto the Knowland side.

Supporting this tendency is the political reality that an outright fight between Mr. Nixon and Mr. Knowland would open deep party schisms, nationally as well as locally. Senator Knowland represents a relatively conservative wing. Mr. Nixon draws support from both conservative and "progressive" Republicans and his task from here to 1960 is not to alienate either. For even if—or after—he wins the nomination, he needs a united party to win the election.

But if these things push the Vice President into supporting Senator Knowland in the gubernatorial race, does he not run a risk by thus building up the position of the man who is already his most threatening challenger?

The Nixon strategists recognize the risk—but they think it is not as great as it appears.

For one thing, Senator Knowland's national backing comes almost entirely from the old "Lost wing" of the party, a faction that has lost every national convention since 1936. Nixon supporters figure that even if Mr. Knowland has the California delegation in 1960, he will not have many others and that once the "favorite son" voting is over he cannot deny California support to Californian Nixon.

This theory aside, the Vice President's

supporters foresee some practical political hazards ahead for Mr. Knowland.

The kind of campaign the Senator will be forced to wage to win the Governor's seat next year will hamper him later. He will have to refute the Knight charge that he aims to use the California governorship as a temporary stepping stone to the White House.

Almost immediately upon his return to California from the recently-ended session of Congress, Mr. Knowland began implying that, if elected, he would serve out his term at Sacramento. He emphasized that he never had used any office as a "paw" and he doesn't expect to start now. He said he always lived up to his "contract" with the voters, a strong implication that he wouldn't quit before his four year term is over.

Strong Statements

Before the California campaign is over—right now it is in its very early stage—the Senator in all likelihood will be forced to make even stronger disavowals about 1960. Cynics can recall many such disavowals that were themselves later disavowed by ambitious candidates once they had won the first objective. But that would be hard for a man of Mr. Knowland's stamp. And he would have to abandon his promises awfully fast to launch any effective campaign for the White House.

The Vice President personally is a political realist; he believes that events, far more than a man's personal decision, determine whether he will seek the Presidency. As a realist he does not accept without question the idea of his supporters that Mr. Knowland would thus "get his hands tied" by promises in the Governor's race.

According to Mr. Nixon's reasoning, if Mr. Knowland wins the California governorship and his policies fit the G.O.P. mood in 1960 then the convention would have to consider him as a candidate, past pledges or not. But there, perhaps, lies the real key to Mr. Nixon's thinking about his own future and to his present strategy.

Mr. Nixon is convinced that the political tide is running against the Republicans from within Mr. Knowland must draw his strength. Therefore Senator Knowland cannot gain as it appears from winning the California governorship nor will Mr. Nixon risk too much by helping him get it.

Awkward Position

Aside from that, there is the consideration of what Mr. Nixon would lose by opposing Mr. Knowland in California. He would risk alienating a lot of conservatives in his own state and elsewhere. He would weaken the Republican state organization when what it needs is to be strengthened and unified. And he would put himself in the position of selfishly opposing a respected national political figure merely to eliminate a political rival.

So taken all in all, it really isn't as strange as it seems for Mr. Nixon to be giving a boost to his nearest rival. He could hardly do otherwise. But in the practical and sometimes topsy-turvy world of politics, doing "voluntarily" what you have to do anyway can be a sound piece of gamesmanship.

Crown Zellerbach Net Expected to Decline To \$2.80 a Share in '57

President Tells Boston Analysts Capital Outlays Will Be Cut Next Year

By a WALL STREET JOURNAL Staff Reporter

BOSTON—Crown Zellerbach Corp. will earn around \$40 million, or \$2.80 a common share, in 1957 against \$50,048,000, or \$3.52 a share, in 1956. A. B. Layton, president, told the Boston Society of Security Analysts.

Mr. Layton's talk to over 100 analysts was termed by him as "off the record," and a Wall Street Journal reporter who sought permission to report his remarks was not permitted to stay at the meeting. It is understood Mr. Layton plans a talk "on the record" to the New York Security Analysts tomorrow. It was nevertheless reliably learned that Mr. Layton predicted what his company's

earnings for the full year would be. Earlier, the company reported six months earnings of \$1.31 a share against \$1.74 last year and Mr. Layton said he expected earnings in the second half would be somewhat better. His current full-year estimate would mean second half earnings of about \$1.49 a share.

Mr. Layton was reported to have said Crown Zellerbach's expenditures for plant and equipment in 1958 would be reduced from 1957 levels in order to keep them in line with sales projections.

Some reports, Mr. Layton also is understood to have said at the meeting, have held that the paper industry as a whole was continuing to add large amounts of new capacity despite slower demand for its products. These reports are much exaggerated, he reportedly told the analysts. In fact, he said, some of the additional capacity planned earlier in the year has been cut back and some has been dropped altogether.

It is true, he said, that the paper industry is operating so far this year at only about 90.9% of capacity, against 99.4% in 1956. But he said he expected the current year would be a low point for this business indicator and predicted that the next year the industry would run at about 94% of capacity and in 1959 at that rate or a little better.

PEPPER...and Salt

Among Other Things
To be a father is to know
What makes the dandelions
grow.
Why chicken eggs are never
square.
And how it is that folks need
air.
It means to know the answers
to
So many questions old and
new—
And what to say so that you
won't
Sound much too stupid when
you don't.
—S. H. Dewhurst.

Your Witness!

In a Southern community a case was being tried in court where one motorist was suing another for causing a wreck. One witness was a gangling eighteen-year-old country boy. The evidence showed he was working in a field about 200 yards from the accident. His evidence was very damaging to the case of the defense. The defense attorney, who had the reputation of being very irritating and dangerous on cross examination, said, "You claim you saw this wreck?"

"Yes."
"You saw the whole thing?"
"Yes."
"You were 200 yards away?"
"Yes."
"You can see pretty good, can't you?"
"I think so."
"Well, tell the jury just how far you can see."



"I'm writing a letter to your mother. I wish I could remember what I wrote her the last time that made her so angry she cancelled her visit to us."
"The toughest part of putting something away for a rainy day is finding a clear day to do it."
"Darling," said the husband,

Letters To the Editor

Unjustified Indifference

Editor, The Wall Street Journal:
The indifference of your paper and the people in general to the threat of the new Russian missile is amazing and shocking. When the Russians achieved the big bomb we received the news with like equanimity. One general was known to remark that Russia might be able to make the bomb but was quite incapable of producing it. Today their discovery is seen as something of a landmark in the cold war.

Again and again optimistic reports with regard to this or that "highly successful" missile have been coming from high places in Washington. A year or two ago former Secretary Acheson warned us that the Russians were producing at a rate which in a few years would put their production ahead of ours. Overconfidence in our superiority over Russia is something we cannot afford and is completely unjustified by the facts.
ELINOR GOODRIDGE

Rockport, Mass.

Why The Emptiness

Editor, The Wall Street Journal:
Hollywood Reporter Ed Cony in "Sneak Previews" (Sept. 5) talks about the decline in profits and says, quoting Mr. Golden, "We take over operation of the theatre. We have our own projection people on hand to make sure the house is okay projection-wise and acoustically."

Amen. Recently I saw a double feature—Will Success Spoil Rock Hunter and Hatful of Rain. Hollywood need offer no apologies for either.

Projection? It was miserable in a first run theatre. Frequently the film was out of focus; on one change of reels the projection was so out of frame as to be irritating and remained so for almost five minutes before being noted and corrected by the projectionist.

The sound was booming loud. I was forced to move to a seat in the very back row for comfort.

Perhaps if managers would spend more time in their auditoriums they could learn why it is so empty there.

WARREN DEIST

Akron, Ohio

Candor, However Jolting

Editor, The Wall Street Journal:
The example of words-for-words, sake which you commented upon in your editorial on White House ghost writing (Sept. 3) could be multiplied many fold.

An even more irritating instance of the use of soothing words to obscure facts considered unpalatable for the general taste occurred during the President's recently televised speech on foreign aid. I am thinking especially of his comments in justification of the various activities on the U. S. Information Service. Surely the baleful eye with which a not inconsiderable number of taxpayers regard this particular offspring would seem to demand from the Chief Executive an appraisal at once fair, honest and constructive. But no, sugared words were again the prescription; if any specific issues were discussed, they escaped me.

Possibly candor in some of these matters would occasion too severe a jolt to the citizenry; but some of us wish that frankness could be given a try. It would certainly be refreshing.

JOHN E. CLARK

Boston, Mass.

We Slowed It Down

Editor, The Wall Street Journal:
In your excellent article on the A-bomb business (Sept. 9) your reporter writes, "The total time it takes a nuclear device to blow itself up is one-millionth of a second—about the time it takes a beam of light to travel one-tenth of an inch."

I have my doubts about the first figure, but none at all about the second. The last time anybody clocked it, light was streaking along at something in excess of 327 yards in a millionth of a second.

Now in a hundred-billionth of a second, light would move a little over a tenth of an inch.

FRANK LEARY

New York City

Put the Bulldozers to Work

Editor, The Wall Street Journal:
Your editorial, "Stockpiling Waste" (Sept. 8), is just another example of why taxpayers are demanding economy in government services. It's dead certain that industry wouldn't put up with such Humpty Dumpty record-keeping, but apparently the Air Force will.

On the strength of Air Force Major General John D. Ryan's statement, "We do not know what's still there," it might be a good idea to put the bulldozers back to work—they might uncover some missing Air Force personnel.

IRVING S. HARRISON

South Euclid, Ohio

Canadian Store Sales

OTTAWA—Department store sales increased 3.2% in the week ended September 7 in Canada, compared with a year before, according to the Bureau of Statistics.

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WILLIAM H. GRIMES EDITOR

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Steel Rebels: They Gather Forces For a New Assault on McDonald

Continued From First Page

gather momentum. We have to have a more democratic union—the rank and file should run all affairs, local and international.

The delegates appeared to be a determined bunch. "We may be a minority, but we can be a damn militant minority," said the pugnacious Mr. Klug from Milwaukee. Mr. Klug was the Dues Protest Committee's candidate for international secretary-treasurer in February.

Bitterness against present leadership cropped up constantly in debate and in conversations between sessions. The dues rebels' basic charge: There is a lack of democracy in the Steelworkers Union. Delegates claimed top officers were out of touch with members and asserted that the rank-and-file did not have sufficient voice in union affairs. They said international officers completely dominate proceedings at conventions of the steel union.

Mr. McDonald and other representatives of the international union, headquartered just a few blocks away from the conference hotel, flatly ignored the dues protesters' meeting, just as they've been ignoring most of the committee's activities since last fall. But Mr. McDonald once threatened the dues rebels with expulsion unless they quit their campaign. He's particularly sensitive to the "dictatorship" charges, for he contends the Steelworkers is one of the most democratically run of U. S. unions.

Faulty Procedures?

As they have been doing since February, the dues protesters charged the union's election procedures are faulty. Local officers can thwart the wishes of their members through their power to appoint vote counters, and in some instances recording secretaries have filed false vote tallies with union headquarters, the rebels alleged.

Mr. Rarick says the dues protesters have turned up evidence of many "discrepancies" in the February election—evidence which the group has turned over to Senator McClellan's investigating committee.

Because of such claimed discrepancies, Mr. Rarick has yet to concede victory in the February voting to Mr. McDonald. "I never have, and I never will," says the hulking milt-worker.

The week-end conference, among other actions, approved resolutions urging the union to change the constitution to require numbered ballots in all union elections; allow all candidates to appoint election watchers; permit longer periods after elections to challenge results; require election tellers to be elected by members of a local rather than appointed by its officers; shorten terms of office for international and district officers to two from four years, and require publication of a local-by-local tabulation of votes.

Dues, Salary Cuts

The delegates also backed a resolution reiterating their demand that monthly dues be returned to the former \$3 level and asked that salaries of their top officers be cut. They proposed a salary cut to \$40,000 a year for the steel union president; at the 1956 convention of the Steelworkers Mr. McDonald's pay was raised from that figure to \$50,000.

Leaders at the conference stressed that

dues protesters would first have to achieve a strong voice in local union affairs if they were to have any chance of winning acceptance of their proposals at the Steelworkers' convention in September of 1958. Steelworker locals will elect local officers in June of 1958.

"Election of officers in our local unions is the most important thing we have to do now," says Mr. Klug of Milwaukee. This would give the dues protest faction more influence in picking convention delegates, he explains.

Shortly after the dues protest movement started last fall, the Steelworkers' executive board accused the insurgents of committing a cardinal union sin—"dual unionism," the setting up of a group within a union aimed at disrupting the union.

The union constitution now says convention delegates may be elected at any "official meeting" of the local or by a referendum ballot of local union members. In practice, the rebels claim, local officers have been able to appoint the delegates because of the loose wording of the constitution. The insurgents want to amend the constitution to require that delegates in all cases be elected by referendum ballots.

No Desire to Bolt

The subject came up for heated discussion at the dues rebels' meeting. Most of those in attendance insisted they were merely working to improve the Steelworkers Union from within and made it clear they had no desire to bolt the international organization.

However, some of the delegates conceded the group had already gone pretty far in the direction of "dual unionism," at least in the eyes of international officers, and contended there wasn't any reason to exercise restraint now. "If this be dual unionism, then let's

make the most of it," thundered Mr. Mamula, the keynote orator.

Others say the steel leaders would have taken action against the rebels by this time if they were going to. Robert Latz, president of Local 1114 of Milwaukee, shrugs his shoulders and says: "We're on their list already. If they were going to do anything about it, I think they would have done it already."

Though the delegates to the Dues Protest Committee spouted confidence most of the time, a few admit to serious doubts about their ability to win power in the union. "We have an outside chance," comments Mr. Klug in an unguarded moment.

Flexing Its Muscles

Delegates argued that their efforts had already met with some success. "We've awakened the international officers to the fact that there is a membership," said Mr. Klug. "The rank-and-file flexed its muscles and found it could do something," observed a youthful employee of Inland Steel Co.

Raising money to finance its drive for power is a major problem for the Dues Protest Committee. Asked if he planned to stump steel-making centers in support of his cause, Mr. Rarick replied, "I don't know how I'm going to get the money."

The audit committee of the conference reported the Dues Protest Committee's treasury contained \$290 at the start of the meeting. Delegates came forward and contributed an additional \$200 during the meeting. By way of comparison, the international organization the insurgents are battling recently reported its net worth stood at \$22 million.

Midwest Piping Stock Plan

ST. LOUIS—Stockholders of Midwest Piping Co. at a special meeting, approved a stock option plan calling for the issue of 50,000 shares of authorized common stock. Also approved was a board proposal to eliminate any preemptive rights of share holders with respect to the 50,000 shares.



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What's new on the New York Central

Electronic "furnace" analyzes lube oil to stop trouble before it starts ...and keep your freight moving faster

Inside a temperature- and humidity-controlled room at the Central's new Technical Research Center in Cleveland, a group of highly skilled technicians spend their time burning lubricating oil—practically drop by drop.

These men operate an intricate, multi-dialed spectrometer. This amazing machine, with its tiny electronic furnace, can predict engine trouble *before it starts!*

By doing so, the spectrometer keeps more locomotives out of the repair shops and on the rails... *moving your freight faster.* Its testing ability will save \$16,000,000 a year on locomotive maintenance alone.

Mechanical Blood Test

The spectrometer watches over the health of the Central's big diesel fleet like the team physician for a group of champion

athletes. Regularly every New York Central locomotive is tapped for a minute sample of its lubricating oil. The samples are reduced to ash at the testing stations, then forwarded to the Central's Cleveland lab. There a few grains of the ash are burned in the spectrometer. And as they are consumed the machine's 16 sensitive dials clock the presence and quantity of 16 elements.

If certain elements show up in the tests or begin to increase drastically, the spectrometer operator knows that trouble may be getting ready to start.

For example, if a trace of lead or copper appears, it means a bearing is beginning to wear. Or if silicon turns up, dirt may be getting into the engine.

The lab returns its diagnosis to the locomotive's home base. And if there is trouble brewing, a repair crew can quickly fix it *before it turns into a costly breakdown.* Eliminated are unnecessary overhauls, arbitrary oil changes when none are needed... and costly delays en route to shippers and their customers.

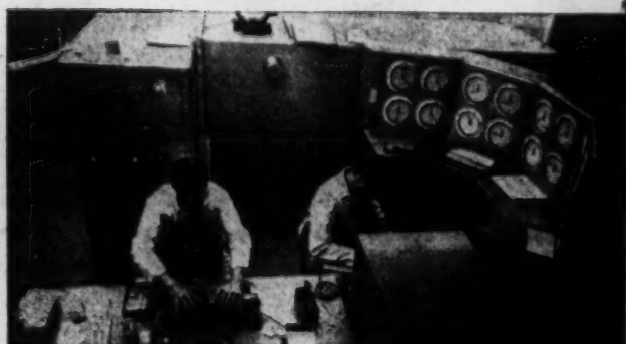
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1. Hot Box—but one that performs an amazing service. Diesel crankcase oil, already reduced to an ash, is burned inside electronic spectrometer. By analyzing

elements in the oil, the spectrometer can spot engine trouble *before it gets serious.* Minor repairs then prevent costly breakdowns later.



2. Tip-off—A lab technician records readings from spectrometer dials. Electronic devices connected to each dial search for and measure a different telltale element in the oil while the sample is burning.



3. Emergency call—If test indicates trouble, spectrometer operator can call the master mechanic responsible for that locomotive and have it pulled into shop *immediately.*



4. Back in service after an overhaul—hours or days sooner than previously. Spectrometer analysis told repair shop crews exactly where they should look for trouble.

Lockheed Aircraft Gets \$11 Million Contract For T-33 Jet Trainers

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Lockheed Aircraft Corp. announced it has received an \$11 million Government contract that extends its production of T-33 jet trainers into 1959. The new contract is a fixed-price order, the company said. The T-33 is a two-seat version of the F-50 Shooting Star, first U.S. production jet fighter.

Bell Telephone Labs Says It Has New Adhesive

NEW YORK—A method it says firmly bonds polyethylene plastic to rubber, brass or brass-plated metals has been discovered by the Bell Telephone Laboratories, research subsidiary of the American Telephone & Telegraph Co.

The technique is based on a synthetic adhesive known as "partly hydrogenated polybutadiene" that is so strong it will resist a pull of about 1,000 pounds per square inch, or "many times" the strength of the best present bonding agents, Bell Labs says.

Changes in Stockholdings Reported to Exchanges

Continued from Preceding Page

owner of more than 10% of capital stock, bought 1,000 common shares, increasing direct holdings to 159,000 shares.

CRUICKER (J.) BREWING CO.—Cervase Corp., direct beneficial owner of more than 10% of common stock, bought 300 common shares, increasing direct holdings to 18,000.

MACFADYEN PUBLICATIONS, INC.—Meyer Dworkin, treasurer, sold 1,700 common shares, reducing direct ownership to 9,807. Irving S. Manheimer, president, sold 300 shares, reducing direct holdings to 37,452. Mr. Manheimer also reports his wife's holdings at 14,547 common shares.

MAGNA OIL CORP.—G. B. Howell, director and beneficial owner of more than 10% of stock, bought 1,000 capital shares, increasing direct holdings to 189,258.

MCDONNELL AIRCRAFT CORP.—James S. McIlwain, president, bought 1,400 common shares, increasing holdings to 242,154. Holdings as guardian amount to 104,871 shares, while holdings as trustee amount to 302.

MEAD JOHNSON & CO.—D. Mead Johnson, president, reports the sale of 1,200 common shares by E. Mead Johnson Trust, reducing such holdings to 7,200 shares. Holdings in a second trust amount to 146,647 common shares. Direct ownership totals 10,000 shares.

MENASCO MANUFACTURING CO.—William P. Barlow, director, bought 600 common shares, increasing direct ownership to 2,000. J. I. Hamilton, vice president, bought 400 common shares, increasing direct ownership to 2,400.

MICHIGAN PLATING AND STAMPING CO.—Charles G. Bluthorn, director, reports the purchase of 1,300 common shares. Beneficial holdings now total 39,130 shares, while beneficial but not of record holdings amount to 1,200 shares.

MURPHY CORP.—C. H. Murphy, Jr., president and direct beneficial owner of more than 10% of stock, reports making a gift of 20,000 common shares in September, reducing direct holdings to 428,320. He also reports the receipt of a gift of 240 common shares in September. Increasing trustee holdings to 2,115 shares. Mr. Murphy's co-trustee holdings total 109,500 shares.

NATIONAL ALFALFA DEHYDRATING & MILLING CO.—Henry A. Heilmann, president, purchased 1,700 common shares, increasing direct holdings to 18,200. M. Saunders, director, reports direct holdings of 7,354 common shares, after the sale of 2,000 shares and the purchase of 800 in July.

NORFOLK SOUTHERN RAILWAY CO.—George R. Squires, director, purchased 300 common shares, increasing direct holdings to 1,020.

NUCLEAR CORPORATION OF AMERICA, INC.—Baker & Co., Inc., beneficial owner of more than 10% of Class A common stock, reports direct holdings of 200,000 Class A common shares, after purchase of 150,000 shares in June.

PED BOYS—MANN, MOE & JACK—Maurice L. Strauss, chairman, bought 800 common shares, and made a gift of 700, making direct holdings 34,330.

PHILIPS ELECTRONICS, INC.—Philip Industries, Inc., beneficial owner of more than 10% common stock, sold 75,000 common shares, decreasing direct ownership to 377,951.

REPUBLIC INDUSTRIAL CORP.—Julius R. Bruhl, vice president, purchased 15,000 common shares, increasing direct ownership to 30,355. Rudolph Riberstadt, chairman, bought 12,200 common shares, increasing direct ownership to 71,200. A. E. K. vice president, purchased 3,500 common shares, increasing direct ownership to 13,780.

RIDGWAY CORP.—Hubert E. Howard, director, sold 3,115 common shares, eliminating direct holdings. ROSEBACH (L.) & SONS, INC.—Edward J. Rosebach, director, sold 3,200 common shares in July, reducing direct ownership to 2,550.

RYERSON & HAYNES, INC.—F. D. Benson, treasurer, reports the receipt of 600 common shares as part of annual bonus, increasing direct ownership to 12,222. Holdings of Mr. Benson's wife amount to 1,222 common shares. R. F. McMahon, president, received 555 common shares as part of annual bonus, increasing direct holdings to 7,178.

SEABOARD & WESTERN AIRLINES, INC.—Arthur V. Nordes, executive vice president, sold 300 common shares, reducing direct ownership to 29,615.

SERVO CORP. OF AMERICA—Philip L. R. Iglehart, director, reports the sale of 3,400 common shares, decreasing direct ownership to 41,381.

STANROCK URANIUM MINES, LTD.—Atlas Corp., direct owner, at 10% of the common stock, sold 300 common shares, reducing direct ownership to 461,600.

STROOCK & CO., INC.—Ira Gudden, director, sold 5,000 common shares, decreasing direct holdings to 2,300.

STYLON CORP.—Edward J. Mayo, vice president, reports the purchase of 1,000 common shares, making direct ownership that amount.

TALON INC.—Gordon Thompson, director, inherited 11,883 Class A common shares and 11,883 Class B common shares, increasing direct ownership to 12,338 shares and 11,838 shares, respectively.

TOKLAN OIL CORP.—W. F. Johnston, secretary-treasurer, reports the purchase of 544 common shares, increasing direct ownership to 1,106. G. Flint Sawelle, president, purchased 1,000 common shares bringing direct holdings to 4,000.

UNIVERSAL MARION CORP.—Alexander Rittmaster, director, sold 4,000 common shares, reducing direct holdings to 1,000.

WEBB & KNAPP, INC.—H. Jackson Sillocks, vice president, bought 1,000 common shares, establishing direct holdings at that amount. William Zeckendorf, president and beneficial owner of more than 10% of common stock, reports the purchase of 1,900 common shares, increasing direct ownership to 4,748,379.

MIDWEST STOCK EXCHANGE

KNAPP-MONARCH CO.—William A. Tides, director, reports the acquisition of 1,200 common shares by Wertheim & Co., a partnership of which he is a member, increasing the holdings of that firm to 21,500 shares.

WORLD PUBLISHING CO.—D. D. Zevin, president and beneficial owner, sold 1,000 common shares, reducing direct holdings to 22,071.

General Bronze Reports Third Quarter Sales Are "Well Ahead" of '56

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Third quarter sales of General Bronze Corp. are "well ahead" of third quarter last year, T. C. Carter, vice president, stated. "And based on what we can see right now, volume for the full year will be nicely ahead of 1956," he predicted.

He said net income for the year should also be "nicely ahead", although he noted third quarter earnings were holding "about the same" as third quarter 1956. In the earlier period, 51 cents a share was earned on sales of \$6,800,000 and for all 1956 sales were \$26,020,058, on which earnings amounted to \$2.02 a share.

The drop in 1956 sales and earnings from \$3.51 a share netted on \$30 million volume in 1955 was "due principally to cancellation and shifting of some of our Government contracts—particularly the aviation end of it," Mr. Carter stated. General Bronze is having "no trouble so far" this year with its Government contracts, Mr. Carter reported. "But we've got our finger crossed because of recent cut-backs in defense spending. He said, though, "so far, we've had no indications of any cut-backs." There are no plans to change the 37½ cents per share quarterly dividend and the company "has no need for additional financing."

General Bronze is "diversifying continually through development and manufacture of new types of products and designs," Mr. Carter said. Possible expansion to the West Coast is being studied, he added, and "we're giving serious consideration to building a manufacturing plant in California for making aluminum products for the residential building field."

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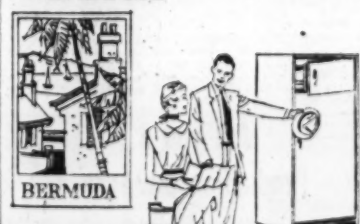
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Prudential Head Urges FRB to Tighten Credit To Combat Inflation

Shanks Calls for More Controls Even at "Risk of Producing Some Unemployment"

By a WALL STREET JOURNAL Staff Reporter
DETROIT—The president of Prudential Insurance Co. of America urged the Federal Reserve System to step still harder on the credit brakes to halt inflation—though this may mean running the "risk of producing some unemployment and possibly even plunging us into a recession."

Carroll M. Shanks, head of the country's second largest life company, said in a speech before the Economic Club of Detroit, that rising prices should not be taken as a sign that traditional general Federal Reserve controls are ineffective, but that "under present circumstances those controls must be applied more steadfastly and for a longer period."

"Both labor and business must be convinced that the monetary authorities will not always validate every increased cost and increased price which they may wish to pass along to the consumer," he stated, adding:

"Putting it bluntly, some of the super-confidence must be shaken out of the boom."

The Prudential president noted "we have had so many years of continuous boom that the economy has become relatively insensitive to external pressures."

"Labor is so confident of continued strong demand for its services that small pockets of unemployment here and there are not frightening and are no deterrent to new wage demands."

"Businessmen are so imbued with the philosophy that next year's sales will be still better that they have lost their sensitivity to consumer irritation at rising prices."

"The point I wish to emphasize," Mr. Shanks told his audience, "is that the wage-price-spiral does not stem primarily from some new element in the economy, but simply from an excess of confidence."

He asked: "Is not a temporary easing in the pace of the boom preferable to the risk of serious recession which could well result from the false pushing up of prices?"

Mr. Shanks stressed that he saw little validity in the argument that present price rises result from a so-called cost-push by labor unions for wage increases in excess of productivity improvements, rather than from the more traditional cause of having too much money chasing too few goods.

Mr. Shanks noted that when it's argued price rises result from the "cost-push," the further point is made that "as a consequence inflation cannot be halted by an orthodox curbing of money demand."

The insurance executive said he agreed the "growing strength of labor unions has made the economy less flexible, and less adaptable, and therefore less responsive. But," he added, "I do not believe these recent institutional changes are the main cause of the slower response of the economy today to monetary and fiscal measures. The main cause... is psychological."

Mr. Shanks said it was possible for the country to achieve both prosperity and price stability if it was "willing to accept short periods of price rise in order to ensure high employment, and also short periods of temporary rise in unemployment in order to ensure stable prices."

Besides a flexible Federal monetary policy, he listed these basic requirements for "continued prosperity without inflation":

An "awakened realization" of the way inflation destroys the purchasing power of the dollar, especially the savings of millions of small savers.

"A Federal fiscal policy designed to complement, rather than frustrate, monetary policy"—such as by holding down Government spending while goods and services are scarce.

Effective efforts to increase competition in the U. S. economy, usually resulting in lower prices.

"Steady abandonment of the all too numerous Government price support programs."

Stepped-up programs to increase savings.

Principal general controls used by the Federal Reserve to restrict the money supply include the purchase and sale of Treasury bills in the open market, thus affecting the reserves and lendable funds of banks, and changes in the discount rate—the fee which Federal Reserve banks charge for loans to member banks.

American Export Lines

AMERICAN EXPORT LINES, INC.: Detailed report for quarter ended June 30:	1957	1956
Earnings per share	\$1.85	\$2.88
Voyage revenues	22,375,000	20,071,000
Net before income taxes, etc.	4,488,000	3,973,000
Income taxes	2,571,000	2,853,000
Provision for recapture	207,000	519,000
Net income	1,710,000	1,601,000
Capital shares	1,200,000	1,200,000
Six months ended June 30:		
Earnings per share	\$3.65	\$4.54
Voyage revenues	39,378,000	35,448,000
Net before income taxes, etc.	8,374,000	6,280,000
Income taxes	2,872,000	2,872,000
Provision for recapture	316,000	842,000
Net income	5,186,000	2,566,000

a-Adjusted. The deposit of 1956 earnings in the company's statutory reserve funds eliminated federal income taxes. Per share earnings on a comparable tax-paid basis, the report states, would be equal to \$1.66 a share in the June quarter of 1956 and \$2.58 a share in the first six months of 1956.

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Send resume to

BOX F-40,
THE WALL STREET JOURNAL

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To meet our continuing expansion needs, we are seeking a man to develop, direct, and supervise long term planning and supervise technical groups necessary for research and development of the company's products. Reporting to the President, he will have line responsibility over the Manager of Research and Development and the Planning Director. Must have broad administrative experience in product planning, product research, market research, budgeting, and patents. As a member of the Executive Committee he must be capable of assuming additional top management responsibilities.

We are a diversified, well established, heavy machinery firm, headquartered in the San Francisco Bay Area.

Because of our planned growth, we seek a man under 50 with engineering and administrative background at the policy level in the mechanical, chemical, mining, or metallurgical fields.

In final reply, please give full information on experience, education, age, salary.

BOX 32-A, THE WALL STREET JOURNAL
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Internationally known management consulting firm is expanding its executive recruiting function and has an opening for an individual well qualified in top level interviewing techniques and executive evaluation. The man we are seeking should have substantial experience in high level personnel recruitment at the executive level and a proven record of sound appraisals. Duties would include executive search and selection, and confidential analysis of organizational requirements for executive personnel. Compensation will be salary plus bonus, and location will be in New York City. Send resume in confidence to:

BOX F-16, THE WALL STREET JOURNAL

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Wants heavy responsibility in Finance or to work with TOP-FLIGHT MAN in Finance and/or General Management who is ambitious and clever.

May we send you complete information or arrange a personal meeting?

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The Wall Street Journal

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Box E-248, Wall Street Journal

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G. D. Richardson, Western Products Division Rap-O-Vac Company Reading, Pa.

General Manager Merchandising

Large, well established Midwest manufacturer of metal goods, serving industrial and home users has excellent opportunity for top merchandising and distribution executive. Will direct product managers, commercial research, advertising, and sales promotion. Background in these functions sought, plus proven administrative talent in directing a sizable department. Experience in metal trades industry desired, such as major appliances, heating and air conditioning, or general multi-line metal products. Marketing training preferred. Age 40-50. Flexible salary range at desirable level. Please submit full information, complete confidence observed.

Box CJ-30

The Wall Street Journal

711 W. Monroe Street

Chicago, Illinois

TRANSISTOR PRODUCTION ENGINEER

Opportunity for a man seeking manufacturing and sales position. We seek a man who is capable of setting up and administering a new production line. He must know the latest and most efficient techniques of transistor manufacturing and be able to set up a plant to produce germanium alloy junction transistors with minimum of delay. Location metropolitan N. Y. Salary plus profit sharing plan.

Box G-28

The Wall Street Journal

WANTED MANUFACTURERS' REPRESENTATIVE

Nationally recognized manufacturer fully equipped for large volume metal stamping on giant deep draw Waterbury Farrel Eylet machines seeks sales representative on commission basis. We have just doubled our production capacity and offer a permanent connection to a high calibre aggressive individual with a proven selling record. Write fully, outlining experience in this field and territories covered.

Box G-17, Wall Street Journal

TAX ACCOUNTANT DENVER

National firm has opening for an outstanding senior accountant under 35 qualified for its tax department. Excellent opportunity for advancement. Salary open. Please send complete resume.

Box 11-DD, Wall Street Journal

911 Young St., Dallas 2, Texas

RESEARCH MEN

Established research organization desires free-lance writers to prepare economic surveys on industries, stock market, bonds, commodities, etc. Must be experienced in research and editorial work. Also, if you feel that you can write for us contact us immediately.

Box H-22, The Wall Street Journal

WANTED:

Massachusetts Savings Bank, with assets of \$15,000,000 has immediate opening for man with office qualifications or potential. Bank experience desirable but not essential. Send resume to:

Box E-231
The Wall Street Journal

BETTER PRESIDENTS

are picked from the best Vice-Presidents. Here's just the man you've been looking for to take over while you step aside to live a little. He's a 44-year-old V. P. of a listed company doing over \$150 million annually. He's broad-gauged and seeks greater growth. Teach him what you know and in a year you'll make him glib-edged. Present earnings in the 20's. Inquiries from principals only.

Box E-237, The Wall Street Journal

PART TIME CONSULTANT

Adviser to management, preferably of evolving, closely held company. Excellent experience in financial, organization, cost and control, production and distribution problems; growing out of service as vice-president of large engineering firm and consultant of major financial institution; accounting and legal training. Fields covered include paper and pulp, synthetic fibre, steel, electrical, building products, glass, heavy equipment, transportation, food chain, mail order and department stores, etc.

Box Z-104, The Wall Street Journal

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With understanding and skill in the presentation of people and events.
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Box G-1, The Wall Street Journal

POSITION AVAILABLE—MALE

ATTENTION OPPORTUNITY

Sales Representative
Progressive Fixture Manufacturer established over 50 years now has position open in New York sales office for high grade representative with a FOLLOW-UP in Eastern States. Company manufactures fixtures for leading department stores, offices, displays, banks, service stations, utilities and machine jewelry.

Company does fine mill work and works with wood, plastic and metal. Company also does specialized building construction as well as fixtures for contractors. Only those who have a FOLLOW-UP in one or more of these fields need apply. Our personnel know of this advertisement. Write:

Box F-33, Wall Street Journal

CHIEF PROCESS ENGINEER

For modern & expanding plant of an internationally known chemical mfr. located in northern N. J. Minimum education: BS in Chemical Engineering. Must be capable of taking complete charge of installation & operation of new processing equipment from initial layout recommendations to final operations, plus attendant trouble-shooting.

Write fully: all applications will be held confidential & acted upon promptly.

Box F-71
THE WALL STREET JOURNAL

PROCESS ENGINEER

Work in plant engineering department in chemical industry. Chemical engineering degree required. Experience helpful but not required. Age limit 20.

This job carries an excellent salary and good promotional opportunities in a rapidly expanding chemical company.

This job open at plant located near Kingsport, Tennessee, in southwest Virginia.

Send complete resume in first letter to Phil Comer, Personnel Manager, FOOTE MINERAL COMPANY, SUNBRIGHT OPERATION, BUNFIELD, VIRGINIA.

EXECUTIVE PURCHASING AGENT

Foreign car manufacturer desires executive purchasing agent for Detroit office. Established 1927. Extensive experience valuable but not essential. Reply Box F-2, The Wall Street Journal

44 Broad St., New York 4, N. Y.

STAFF ASSISTANT MARKET RESEARCH

National manufacturer packaging machinery seeking young graduate engineer with MBA for market research and other staff work. Phila. area. Send complete resume and salary requirements to:

Box F-17, Wall Street Journal

SALES MANAGER WANTED

Vigorous, fast growing office furniture manufacturer wants man experienced in hard selling, a promotional minded individual who has proved he can get results from salesmen and sales representatives. Remuneration and opportunities unusually good. Need not be from office furniture industry.

Box F-45, The Wall Street Journal

SALES REPRESENTATIVE

Well established, reputable plastic injection molder requires the service of sales representatives. Choice exclusive territories open. Give complete resume of services, territory, etc. in first letter.

Box CK-126
The Wall Street Journal
711 W. Monroe St., Chicago, Ill.

POSITION WANTED—FEMALE

Young lady, 21, attractive, intelligent, college trained. Interested in public relations or personnel work. Midwestern area. No typing. \$15 weekly.

Secretary to Executive—Wall Street experience; also registered, 35, attractive, college; excellent business background. Write to:

Box Z-52, The Wall Street Journal

POSITIONS WANTED—MALE

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WIDE EXPERIENCE IN ACQUISITIONS & MERGERS
Presently employed as vice president of a listed company for twenty years. Policy maker and presently heads up screening, investigating and handling negotiations to acquire companies in capital goods and other industries. Broad administrative and financial background. Present salary and bonus, more than \$10,000. Has ability to meet and discuss mergers with presidents, majority stockholders—and proven ability to close deals to satisfaction of both parties. Available for sound reasons.

Seeking similar duties with a well seasoned company, large financial fund—or administrative duties that could lead to chief executive or financial vice president. Replies held in strict confidence.

Box F-81
The Wall Street Journal

FINANCIAL OFFICER AVAILABLE

Chief financial officer leading retail chain and an important consumer finance company. Proven successful record in Finance, Bank Relations, S. E. C. Acquisitions, Divestments, Merchandising and Expansion. Controls, Labor Relations, Systems, Consumer Credit, Store Operation.

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Box CJ-58, The Wall Street Journal
711 W. Monroe St., Chicago 90, Ill.

MR. PRESIDENT

Have you fully explored the advantages of your own corporate law department?—constant availability, thorough knowledge of your operation, advice during policy formation, etc. Associate general counsel to large corporation desires to organize smaller department.

Box G-22, The Wall Street Journal

PLANT MANAGER-ASSISTANT

Age 28. Mechanical Engineer with extensive experience as an administrator, coordinator and supervisor; skilled in planning and scheduling; staff development and scheduling; trouble shooting, design and economic evaluations.

Box F-26, The Wall Street Journal

MALE SECRETARY

Free-empl; age 35, married; ex-Navy Yeoman; H.S. Eco & Eng; Kn of Fr, Ital & Span; 10 yrs exp in sales, Phila. area. Send complete resume and salary requirements to:

Box F-20, The Wall Street Journal

Controller, 35 yrs, MBA Harvard, Hvy controller exp. Presently with listed co. Competent executive, capable administrator, \$20,000 range.

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SALESMAN—BLDG. MATERIAL. Col. Grad. 25. Prom. & Research background calling on Archt. Contra. & Inst. Bldg. growth potential. Box F-14, The Wall Street Journal

Employers & Employees Meeting Place Continues on Following Page.

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Canadian Dollar Falls Again, Closes at \$1.0381

NEW YORK — The Canadian dollar again lost ground in foreign exchange dealings here, falling to \$1.0381 in terms of the U. S. dollar and bringing to 2.33 cents the amount which has been paid from its record high quotation of \$1.0614, established August 21.

Factors at work in the decline of the Canadian dollar since that time have been, according to dealers, a fall in the amount of Canadian borrowing in the U. S. coupled with a growing excess of Canadian trade goods imports over exports.

An excess of imports over exports is a depressing factor for a country's exchange rate since the country must bid actively to obtain the foreign currency to pay for imported purchases, and by so bidding, drives the price of the shipping country's currency up and that of the importing country down.

Foreign Exchange

Monday, September 16, 1957

	Monday	Friday	Monday	Friday
Canada (Free Dollar)	1.0334-44	1.0414-44	1.0334-44	1.0414-44
England (Pound)	2.78 1/2	2.78 1/2	2.78 1/2	2.78 1/2
30-day Futures	2.77 1/2	2.78 1/2	2.77 1/2	2.78 1/2
90-day Futures	2.75 1/2	2.78 1/2	2.75 1/2	2.78 1/2
Transferable	2.75 1/2	2.78 1/2	2.75 1/2	2.78 1/2
Switch (or Security)	2.75 1/2	2.78 1/2	2.75 1/2	2.78 1/2
Australia (Pound)	2.22 1/2	2.22 1/2	2.22 1/2	2.22 1/2
New Zealand (Pound)	2.77 1/2	2.78 1/2	2.77 1/2	2.78 1/2
South Africa (Pound)	2.77 1/2	2.78 1/2	2.77 1/2	2.78 1/2
Belgium (Franc)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
Holland (Guilder)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
Switzerland (Franc)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
West Ger. DM. (Freely Convert.)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
DM (Lib. Cap.)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
DM (Lim. Convert.)	0.018 1/2	0.018 1/2	0.018 1/2	0.018 1/2
LATIN AMERICA				
Argentina ("Free" Peso)	0.0220	0.0220	0.0220	0.0220
Brazil ("Free" Cruzeiro)	0.0121	0.0121	0.0121	0.0121
Chile ("Free" Peso)	0.014	0.014	0.014	0.014
Colombia ("Free" Peso)	0.0125	0.0125	0.0125	0.0125
Mexico (Peso)	0.0025	0.0025	0.0025	0.0025
Peru (Sol)	0.0025	0.0025	0.0025	0.0025
Uruguay ("Free" Peso)	0.0025	0.0025	0.0025	0.0025
Venezuela (Bolívar)	0.0025	0.0025	0.0025	0.0025
NEAR EAST				
Iran (Dinar)	2.70 1/2	2.70 1/2	2.70 1/2	2.70 1/2
Lebanon (Pound)	0.014	0.014	0.014	0.014
PAN EAST				
India (Rupee)	0.008	0.008	0.008	0.008
Pakistan (Rupee)	0.008	0.008	0.008	0.008
Hong Kong (H. K. Dollar)	0.0125	0.0125	0.0125	0.0125
These buying prices were quoted at 4 p.m. by the First National City Bank of New York for foreign banknotes (official rates in parentheses where official sanctioned quotations are too small to warrant daily comparison):				
England (Pound)	2.78 1/2	2.78 1/2	2.78 1/2	2.78 1/2
France (Franc) (0.0004)	0.0215	0.0217	0.0215	0.0217
Holland (Guilder)	0.0125	0.0125	0.0125	0.0125
Italy (Lira) (0.0161)	0.0154	0.0154	0.0154	0.0154
Spain (Peseta) (0.0246)	0.0125	0.0125	0.0125	0.0125
Germany (DM) (0.0036)	0.0125	0.0125	0.0125	0.0125
Argentina (Peso)	0.0115	0.0115	0.0115	0.0115
Brazil (Cruzeiro)	0.0115	0.0115	0.0115	0.0115
Chile (Peso)	0.0115	0.0115	0.0115	0.0115
Colombia (Peso)	0.0115	0.0115	0.0115	0.0115
Uruguay (Peso)	0.0115	0.0115	0.0115	0.0115
Egypt (Pound) (2.881)	1.70	1.70	1.70	1.70
Turkey (Lira) (3.375)	0.008	0.008	0.008	0.008
India (Rupee)	0.008	0.008	0.008	0.008
Pakistan (Rupee)	0.008	0.008	0.008	0.008
Hong Kong (H. K. Dollar)	0.0125	0.0125	0.0125	0.0125
Japan (Yen) (0.0094)	0.0025	0.0025	0.0025	0.0025
Philippines (Peso) (0.0020)	0.0025	0.0025	0.0025	0.0025
Inactive currencies: Cuba (1.001); Denmark (1.521); Iran (0.0153); Norway (1.463); Portugal (0.0339); Sweden (1.937).				

Financing Business

Morgan Stanley Group Wins Niagara Mohawk \$50 Million Bonds

NEW YORK — Niagara Mohawk Power Corp. awarded its \$50 million of general mortgage bonds to underwriters led by Morgan Stanley & Co.

The group's bid, 100.13999 for a 4 1/2% coupon, gave the upstate New York utility a borrowing cost of 4.845%.

Two other bids for the 30-year securities named 5% coupons. They came from: First Boston Corp., 101.7699, and Halsey, Stuart & Co., Inc., 101.73.

The Morgan Stanley combination planned to put the bonds out for general distribution—after compliance with Securities and Exchange Commission requirements—at 100.867, to yield approximately 4.82% to maturity in 1987.

Indications ahead of the formal public offering were that the issue might turn out to be on the slow side at retail.

The new 4 1/2% will be non-refundable during the first five years.

On Niagara Mohawk Power's last bond market trip, May 8, 1956, it sold a \$30 million block of 30-year 5 1/2% at 3.59%. It will use the proceeds from yesterday's issue to pay short-term construction loans and for more facilities.

Skiatron Electronics Meeting Is Adjourned For Lack of a Quorum

Date for Holders to Vote on Agreements With Skiatron TV Moved to September 25

NEW YORK — A special meeting of Skiatron Electronics & Television Corp. held to approve agreements between the company and Mathew Fox's Skiatron TV, Inc., was adjourned until September 25, for lack of a quorum.

Approval of the proxy statements was received from the Securities and Exchange Commission too late, the company said, to solicit proxies.

The Skiatron proxy statement lists 1,312,317 common shares outstanding with 656,159 necessary to make a quorum. Official tally of the shares represented at the meeting was 424,222.

After the official adjournment of the meeting the company's officials held an informal question and answer period in which they were peppered with questions ranging from technical financial ones to the likelihood of the Brooklyn Dodgers moving to Los Angeles.

Many of the stockholders were hazy as to exactly what their company's business was, some thinking it owned or controlled Mr. Fox's Skiatron TV, Inc., which is bidding for closed circuit telecasts on the West Coast.

Skiatron Electronics & Television Corp. holds the rights to the subscriber-vision method of television picture scrambling for pay-as-you-see T.V. For the year ended December 31, 1956, the company reported earnings of \$4,301, primarily from military electronics research projects.

Skiatron TV leasing its system to the broadcaster in return for 5% of the gross income realized from through-the-air broadcasts carried by radio waves rather than telephone wires.

At the meeting next week shareholders will be asked to approve an agreement between the two companies whereby Skiatron Electronics will receive 2 1/2% in royalties from closed circuit use of its system.

Shareholders will also be asked to approve an increase of 250,000 shares in the authorized common stock and issuance of warrants for those shares to Skiatron TV, Inc., at \$5 a share to run until April 30, 1967.

Speedy action on these agreements was asked by Mr. Fox before three important meetings effecting pay-as-you-see television scheduled within the next week.

The Federal Communications Commission meets today to consider the subscription TV issue and tomorrow the city council in Los Angeles meets to consider a petition from Skiatron TV for pay television in the city. The San Francisco city council will meet early next week to consider a similar petition.

Steel Output Last Week Trailed Forecasts But Rose From Prior Period

Institute Estimates Production for This Week at 81.1%, Down 0.8 From Last Week

NEW YORK — Steel production last week fell short of forecasts but was slightly above output of the previous week.

Predicted rate last week was 83.1% of capacity, which would have produced 2,126,000 tons. Actual rate was 81.9%. This produced 2,097,000 tons. Two weeks ago production dipped to 81% of capacity, the lowest in three weeks, with production at 2,073,000 tons.

The American Iron & Steel Institute estimated steel operating rate for this week would be 81.1% of capacity, down 0.8 percentage point from last week. This rate would produce 2,076,000 tons.

The Institute does not explain reasons for declines or increases in production rates, but a strike at Youngstown Sheet & Tube Co.'s East Chicago plant was believed to be at least partly responsible for production being lower than expected last week and for the lower rate predicted this week. Although the strike was settled Sunday, the Youngstown plant does not expect to be back in full operation until Thursday or Friday.

The Institute estimates steel production for the week starting September 16 will be as follows:

	Net Tons	Index	Per Cent
Production 1947-49 Capacity			
This week	2,076,000	129.2	81.1
Actual last week	2,097,000	130.5	81.9
Actual month ago	2,101,000	130.8	82.1
Actual year ago	2,477,000	154.2	100.8
Output for 1957 is based on annual capacity of 153,459,150 tons and 1956 on 128,363,090 tons			

Two-Manager Group Wins Wisconsin Natural Gas Bonds

NEW YORK — White, Weld & Co. and Kidder, Peabody & Co., jointly, won Wisconsin Natural Gas Co.'s \$2,500,000 of first mortgage bonds with a bid of 100.4999 for a 5 1/2% coupon. That gave the utility a borrowing cost of 5.47%.

Two other bids for the 25-year securities as 5 1/2% came from: Salomon Bros. & Hutzler, 100.4179, and Halsey, Stuart & Co., Inc., 100.28.

White-Weld and Kidder-Peabody planned to put the bonds out for retail—following compliance with Securities and Exchange Commission requirements—at 102.08, to yield 5.35% to maturity in 1982. Indications of retail interest in the issue at that price were described as "favorable."

Money Rates

NEW YORK — Bankers acceptance rates on 30-90 day bills were quoted at 4% to 3 1/2%. 120 day bills are 4 1/4% to 4% and the 180 day bills 4 1/4% to 4 1/2%.

Federal funds bid 3 1/4%.

Call money lent dealers on bills and Treasury was quoted at 4 1/4% bid, offered at 4 1/2%.

Call money on stock exchange collateral was 4 1/4% to 4 1/2%.

Commercial paper sold through dealers four to six months maturity was 4% to 4 1/2%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3 1/4% to 4 1/4%.

Tax-Exempts

First Boston Group Submits High Bid on \$2 Million Issue

NEW YORK — In Monday's only sizable bond offering First Boston Corp. led a group that made the high bid on \$2 million Pima County, Ariz., High School District bonds maturing 1958 to 1975.

The group asked a mixture of 4%, 3 1/2%, and 3.80% coupons on a dollar bid of par, establishing a net interest cost of 3.7912%.

Subject to award the school securities were reoffered at prices that would yield 2.80% and 3.90%. A balance of \$1,200,000 bonds was reported left in the account yesterday afternoon.

Thriftmart Sales

THRIFTMART, INC., reports sales:

	1957	1956	Change
22 wks Sept. 1 - 866,886,891	852,233,048	- 814,555,645	37.8

Life Insurance Company Investments

The following table, based on reports by 13 major concerns, shows life insurance company investments for the latest available weekly period, with cumulative totals adjusted to conform as closely as possible with the calendar year:

	Week ended Sept. 9, 1957	% of total	Week ended Sept. 9, 1956	% of total	Week ended Sept. 9, 1955	% of total
MORTGAGE Loans:						
Farm loans	\$3,544,325	1.6	\$278,384,260	2.6	\$6,379,646	2.4
Loans on dwellings & business property	41,699,327	30.4	2,318,084,132	31.5	\$6,999,353	27.6
REAL ESTATE:						
Real estate acquired for investment	2,108,424	1.9	106,244,183	1.4	6,014,909	2.3
RAILROAD SECURITIES:						
Bonds	272,031	0.1	31,452,099	0.4	32,809	0.0
Stocks	13,062	0.0	459,790	0.0	475,293	0.2
PUBLIC UTILITIES:						
Bonds	1,586,409	0.7	457,043,131	6.4	778,465	0.4
Stocks	748,214	0.3	24,148,431	0.3	162,858	0.1
INDUSTRIALS:						
Bonds	81,729,338	37.3	1,674,121,491	21.8	20,296,387	13.7
Stocks	127,313	0.1	25,588,049	0.3	236,513	0.2
GOVERNMENTS:						
U. S. Treas. Bonds	74,871,332	1.0	1,471,132	0.0	145,446,748	1.4
U. S. Treas. Bills	52,083,884	23.8	1,331,411,002	17.9	43,884,328	34.5
U. S. Treas. Certs	3,000,000	1.4	96,198,877	1.3	14,977,004	8.1
U. S. Treas. Notes	135,788,048	6.1	135,788,048	1.8	2,910,007	2.4
Canadian Govt. Bonds	864,660	0.5	31,140,811	0.7	1,330,008	0.8
Other Foreign Govt. Bonds	185,317	0.1	26,552,023	0.3	3,802,443	2.9
State, City, Municipal Bonds	725,312	0.3	11,671,238	0.1	1,330,008	0.8
MISCELLANEOUS:						
Bonds	27,154,024	12.4	785,887,818	10.4	7,744,092	4.3
Stocks	23,331	0.0	13,392,335	0.2	12,481	0.0
Totals	\$218,018,632	100.0	\$7,455,679,432	100.0	\$18,055,311	100.0
RECAPITULATION:						
Mortgages	\$48,343,652	22.6	\$2,318,468,412	34.8	\$17,377,289	31.8
Real Estate	2,108,424	1.0	106,244,183	1.4	6,014,909	3.2
Bonds	187,738,837	86.4	4,711,000,887	63.3	1,207,717,827	66.2
Stocks	227,719	0.4	62,967,634	0.8	946,874	0.6
Totals	\$218,018,632	100.0	\$7,455,679,432	100.0	\$18,055,311	100.0

NEW ISSUE

Interest exempt from all present Federal Income Taxes. Tax exempt in the State of Georgia.

City of Savannah, Georgia

3 1/2% General Obligation Bonds

WATER, SEWER, PAVING, AND FIRE PROTECTION

Dated August 1, 1957 Due August 1, 1960-87

Principal and semi-annual (Feb. 1 and Aug. 1) interest payable in New York or Savannah, Georgia, in denominations of \$1,000 each. Registrable as to principal or principal and interest. Registered bonds may be converted to coupon form.

These bonds will constitute direct general obligations of the City of Savannah, Georgia, payable as to both principal and interest from unlimited ad valorem taxes.

AMOUNTS, MATURITIES, YIELDS AND APPROXIMATE PRICES*

Amount	Maturity	Yield	Approx. Price*
\$48,000	1960	3.00%	101.35
48,000	1961	3.15	101.25
48,000	1962	3.30	100.88
48,000	1963	3.40	100.52
48,000	1964	3.45	100.20
54,000	1965	3.50	100.00
54,000	1966	3.55	99.82
54,000	1967	3.60	99.17
54,000	1968	3.65	98.66
54,000	1969	3.65	98.57
66,000	1970	3.70	97.97
66,000	1971	3.70	97.85
66,000	1972	3.75	97.17
66,000	1973	3.75	97.03

(Accrued Interest to be Added)

* The discount price on these bonds is not subject to the Capital Gains Tax for the increment between purchase price and par at maturity.

The above bonds are offered when, as and if issued and received by us and subject to prior sale and approval of legality by Messrs. Spalding, Sibley, Troutman, Meadow & Smith, Attorneys, Atlanta, Georgia.

WACHOVIA BANK AND TRUST COMPANY

BOND DEPARTMENT

Winston-Salem, North Carolina

Telephone Park 3-9211 Teletype W SAL 570

September 17, 1957

PIONEER FINANCE COMPANY

An interesting growth security in the rapidly expanding mobile homes industry.

Send for our special report

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International Paper Expects 2nd Half Net To Equal 1956 Period's

Secretary Forecasts Decline in Third Quarter But Predicts Gain in Last Three Months

By WALL STREET JOURNAL Staff Reporter

NEW YORK — Earnings of International Paper Co. for the second half of this year are expected to equal the \$3.19 a share established in the last six months of 1956, William A. Hanway, secretary of the company, told a meeting of the New York Security Analysts.

Mr. Hanway said the company's third quarter earnings this year would decline slightly from the first half year average of 1957 due to seasonal reasons, but "we are hoping the fourth quarter will be a bit above the average." International Paper Co. earned \$3.04 a share in the first half of 1957.

He said the company's view was one of "subdued optimism," and noted that "in the paper end of the business demand has not fallen off much and prices are stable on all our primary grades."

Mr. Hanway said that International Paper's Canadian branch, which sells most of its products in this country for U.S. dollars, was being affected by the exchange premium for Canadian dollars. He said Canadian International has to buy Canadian dollars to meet its payroll and operating expenses and that "with the Canadian dollar at its recent five-cent premium, the adverse effect on earnings before taxes runs about \$7,500,000 a year."

The Canadian dollar, however, has recently slipped below \$1.04 in terms of the U.S. dollar.

Mr. Hanway explained to the analysts that the company's Long-Bell Division has some problems due to what he called a low phase of the cycle in building materials. But he added, International Paper is optimistic about the rising phase of the cycle, with a sharp upturn coming in the 1960's. "We do not expect any immediate repitition of their extremely favorable 1955 results," he said.

He predicted that the rest of the industry would follow the increase of \$5 a ton for bleached pulp just announced by Weyerhaeuser Timber Co.

Asked about plans for capital expansion, Mr. Hanway said that International Paper Co. would "probably spend over \$80 million but less than \$101 million" this year. He declined to estimate 1958 capital expenditures but noted that the company was not planning any major plant expansions. "We'll keep abreast of the industry and we're thinking of a West Coast mill, but we have no site yet," he said.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Bonds. The offer is made only by the Prospectus.

\$50,000,000 Niagara Mohawk Power Corporation

General Mortgage Bonds, 4 1/4% Series due September 1, 1987

Dated September 1, 1957 Due September 1, 1987

Interest payable March 1 and September 1 in New York City

Price 100.867%

**This Stock Offers
Rare Possibilities**

Approximate Price, Under \$8
—Cash Dividend 80¢—
—Yield Over 10%—

Now enjoying a period of vigorous growth, this long established company merits the attention of alert investors. Its business is domestic and international in scope, and customers include more than 400 top corporations. Write now for further information about this "sleeper."

Please send me information on this stock.

NAME _____
ADDRESS _____
CITY _____ STATE _____

ENGLAND & CO., INC.
New York Security Dealers Association
115 Broadway, New York 6, N. Y.

**Canadian Securities
Gairdner & Company Inc.**
60 Wall Street, New York 5, N. Y.

KNOTT HOTELS CORPORATION
Notice of Dividend No. 88
"Corrected Dividend Notice"
The Board of Directors of KNOTT HOTELS CORPORATION has this day declared a dividend of 25¢ per share payable on September 26, 1957 to stockholders of record at the close of business on September 19, 1957.
Willard E. Dodd
President
New York, New York September 12, 1957

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Rates: \$20 a year, \$11 for 6 mos., \$6 for 3 mos.
in U. S. and Possessions, and Canada
Foreign: 75¢ a month additional.

Cash Prices

Monday, September 16, 1957

FOODS

Flour, hard winter NY cwt 3.25 3.25 3.25
Oatmeal, 1 lb. 1.10 1.10 1.10
Sugar, refined NY lb 1.10 1.10 1.10
Sugar, raw NY lb 1.10 1.10 1.10
Butter, fresh 1 lb 1.10 1.10 1.10
Eggs, No. 2 Extra Chicago doz 4.15 4.15 4.15
Hogs, Chicago top cut 19.50 19.50 19.50
Sheep, Chicago choice cut 27.00 27.00 27.00
Pepper, black NY lb 37.50 37.50 37.50

GRAINS AND FEEDS

Wheat, No. 2 hard KC bu 2.08 2.11 2.25
Corn, No. 2 yellow KC bu 1.20 1.30 1.60
Oats, No. 2 white KC bu 1.20 1.30 1.60
Soybeans, No. 2 yellow KC bu 1.20 1.30 1.60
Barley, malted NY bu 1.60 1.70 1.80
Rye, No. 2 white KC bu 1.20 1.30 1.60
Plasmod, Minneapolis bu 3.45 3.50 3.55
Bran, Buffalo ton 34.00 34.00 34.00
Cottonseed Meal, Memphis ton 48.50 48.50 48.50
Soybean Meal, Decatur, Ill. ton 52.00 52.00 52.00

FATS AND OILS

Cottonseed Oil, cnd Southeast lb 12.50 12.50 12.50
Cotton Oil, crude Chicago lb 12.50 12.50 12.50
Soybean Oil, cnd Southeast lb 12.50 12.50 12.50
Peanut Oil, cnd Southeast lb 12.50 12.50 12.50
Coconut Oil, cnd Southeast lb 12.50 12.50 12.50
Cupra, Pacific Coast ton 140.00 140.00 140.00
Lard, Chicago lb 12.50 12.50 12.50
Tallow, black, NY lb 12.50 12.50 12.50
Lard, NY lb 12.50 12.50 12.50

TEXTILES AND FIBERS

Cotton, one in, mid Houston lb 3.30 3.30 3.30
Cotton, one in, mid Memphis lb 3.30 3.30 3.30
Cotton, one in, mid NY lb 3.30 3.30 3.30
Print Cloth, 64x60 36x18, NY yd 1.10 1.10 1.10
Print Cloth, 64x60 36x18, NY yd 1.10 1.10 1.10
Sheepskin, 56x60 40 in, NY yd 1.10 1.10 1.10
Hemp, 10 or 40 in, NY yd 1.10 1.10 1.10
Wool, fine staple, Terr. Ratin. lb 1.65 1.65 1.65
Wool Top, NY lb 1.60 1.60 1.60
Wool, Sain Aveline NY lb 1.60 1.60 1.60
Sain, Jap. Sain NY lb 1.60 1.60 1.60

RETAILS

Steel, 36x1 1/2 x 11 1/2 ton 77.50 77.50 77.50
Steel, 36x1 1/2 x 11 1/2 ton 77.50 77.50 77.50
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Steel, 36x1 1/2 x 11 1/2 ton 77.50 77.50 77.50
Steel, 36x1 1/2 x 11 1/2 ton 77.50 77.50 77.50

MISCELLANEOUS

Babbler, smoked sheets NY lb 2.95 2.95 2.95
Babbler, light native covea Chgo lb 1.15 1.15 1.15
Gasoline, Reg Gulf (no reg) gal 1.15 1.15 1.15
Petroleum, cnd East Texas doz 3.25 3.25 3.25
Asphalt, b-bid, c-nominal, c-custom smelters are
pricing copper at 26 cents a pound.

Rubber Markets Steady

LONDON—Rubber futures closed steady and October-December was 24¢ per lb, off 1/4¢ from Friday's close (American equivalent, basis \$2.60 for sterling 29.00 cents). January-March 25¢, off 1/4¢ (29.75), April-June 25¢, off 1/4¢ (30.17), and July-September 26¢, unchanged.

Singapore futures closed quiet and October, in Straits cents per pound, was 84¢, off 2 1/2¢ (28.00), and November 84¢, off 2 1/2¢ (28.25).

**Custom Smelters Report Copper
Demand Falls; London Price Off****Britain Drops Plan to Unload
Stockpile; Two African
Producers Boost Prices**

A WALL STREET JOURNAL NEWS ROUNDUP
United States custom smelters reported a slackening in demand for copper yesterday at the price of 26 cents a pound they had set Friday after sales volume picked up.

At the same time, prices turned down at the London Metal Exchange, and erased 1 1/4¢ of the 2 1/2¢-a-pound gain the metal's price had scored there the latter part of last week.

An aftermath of those rises last week showed up yesterday in the quotations of two major African producers of the metal, who boosted their prices, thereby cancelling reductions they made about a week ago.

British Shelves Selling Plan

The British government announced it has decided to shelve for the time being its plan to unload copper from its stockpile "in view of the disturbed state of the market."

"The government's position will be reviewed again" toward the end of the year, the British Board of Trade said. It was just a month ago that the Board of Trade disclosed the government intended to dispose of 27,000 long tons of copper from its stockpile. At that time the Board indicated sales would start in October at a monthly rate not exceeding 2,700 tons. Earlier this year the British government had disposed of about 36,000 long tons of copper from its stockpile.

The Rhodesian Selection Trust Ltd. group of Northern Rhodesia, Africa, copper mines announced it had advanced prices by 1 1/4¢ cents

a pound to 26 cents a pound for metal sold to British consumers. The Rhodesian mining group on September 9 had dropped its price by that amount to 24 1/2¢ cents a pound.

The big Belgian Congo producer—Union Minière du Haut Katanga—also raised its price yesterday by 0.95¢ cents a pound to 25 1/4¢ cents a pound. This upturn also cancelled a similar price cut to 24 1/2¢ cents a pound made by Katanga on September 10.

Drop on London Exchange

On the London Metal Exchange copper's price dropped 1 1/4¢ cents a pound to the equivalent of 24 1/4¢ cents a pound from Friday's final of 25 1/2¢ cents bid. The exchange's price a week ago was 22 1/2¢ cents a pound, lowest in more than four years, but had rallied 2 1/2¢ cents a pound from that low.

London metal trade authorities yesterday said the basic supply-demand position for copper remains weak, since no further cuts in production have been announced and there is no evidence of any sustained increase in trade buying. They partly attributed yesterday's setback to a further increase in London Metal Exchange warehouse stocks of refined copper last week to 17,453 tons, up from 16,133 tons on hand at the end of the previous week.

U. S. custom firms said the falling off in demand for their metal was not unexpected, particularly in view of the heavy buying that developed in the second half of last week, as the price moved up from the low of 25¢ cents a pound set last Monday.

Large U. S. producers reported no change in their position. Their price remained at 27¢ cents a pound. These producers have just opened their books for October business, and report it is too early to give any indication as to what their customers' needs will be next month.

Digest of Earnings Reports

A summary of corporation reports appears below. Further details of the larger and more widely held companies appear elsewhere in this issue. Unless otherwise noted Federal taxes have been deducted in arriving at net income.

Monday, September 16, 1957

Company	Period	1957	1956	1955
American Gas & Electric	12 mos. Aug 31	42,025,241	39,332,022	32,141,021
American Molasses	Year June 30	1,264,349	1,405,440	1,237,568
Central Maine Power	12 mos. Aug 31	6,564,568	6,372,568	6,372,568
Detroit Edison Co.	12 mos. Aug 31	32,040,582	27,906,718	23,877,643
Magnavox Co.	Year June 30	3,739,226	3,100,442	3,901,333
Nash, Chatt & St. Louis Rwy	Year July 31	437,911	1,304,943	1,791,510
Texas Industries	Year May 31	224,387	224,688	17,222
Utah Power & Light	12 mos. Aug 31	8,175,338	7,558,698	8,184,170
Western Maryland Rwy.	8 mos. Aug 31	5,819,000	4,945,000	8,117,058

(a) Based on shares outstanding at close of the period. (b) Based on average number of shares outstanding during the period. (c) Based on shares now outstanding. (d) Net loss. (e) On preferred shares. (f) Preliminary report. (g) Adjusted to reflect stock split or stock dividends. (h) Includes \$63.03¢ tax credit.

London Metal Market

LONDON—The following quotations are in pounds sterling per long ton on the London Metal Exchange:

Monday, September 16, 1957

Copper Spot 197 1/2 197 1/2 197 1/2
Forward 197 1/2 197 1/2 197 1/2
Tin Spot 741 742 742 742 742
Forward 741 742 742 742 742
Lead Spot 90 91 91 91 91
Forward 90 91 91 91 91
Zinc Spot 75 76 76 76 76
Forward 75 76 76 76 76

U. S. Visible Grain Supply

CHICAGO—The visible supply of grain in the United States as of September 15, 1957, according to the figures compiled by the Chicago Board of Trade, was as follows (in bushels, 60c omitted):

Week ended Sept. 13

Wheat 261,504 -1,140 404,302
Corn 104,748 -12,304 422,404
Soybeans 21,299 -207 38,207
Rye 4,810 -18 16,061
Barley 27,450 -806 38,713
Soybeans 2,431 -449 1,602

a-From a week ago.

Reuters United Kingdom Index

Sept. 16 444.3 -0.1 479.9 444.3 441.7 406.8 439.9

High 1956 1953 1954 1953 1953
Low 468.1 476.8 478.3 475.9 515.3

Markets in Other Cities

(Dually Listed Domestic Issues—Excluded)
Monday, September 16, 1957

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Midwest

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Pacific Coast

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Southwest

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Central America

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AMERICAN STOCK EXCHANGE MOST ACTIVE STOCKS

Stock	Volume	Close	Chg.
Cash Am Oil	26,000	4 1/2	+ 1/4
Trans Am Oil	15,000	1 1/2	+ 1/4
Barren Oil	12,000	1 1/2	+ 1/4
Tri Cont Int	12,000	1 1/2	+ 1/4
Household Int	10,000	1 1/2	+ 1/4

American Stock Exchange Transactions

Monday, September 16, 1957

VOLUME, 760,000 SHARES

SINCE JANUARY 1

1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	94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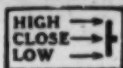
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36 wks Sept 7	1,448,207,869	1,358,585,307	89,622,562
Stores	2,020	1,985	

Wks Sept 7	1,448,207,869	1,358,585,307	89,622,562
Area	2,020	1,985	35

36 wks Sept 7	1,448,207,869	1,358,585,307	89,622,562
Stores	2,020	1,985	

Safeway Sales			
SAFeway STORES, INC., reports sales:			
	1987	1986	Changes
4 wks Sept 7	\$183,568,633	\$154,811,358	+ \$28,757,275
36 wks Sept 7	1,448,207,869	1,358,385,307	+ \$89,822,562
Stores	2,020	1,985	



EDITED BY OLIVER J. GINGOLD

Stocks lost ground yesterday after three days of advances. The Dow-Jones industrial average hit an intra-day low around noon, rallied, then slipped back part way to close off 2.94 on the day. Of the three averages, only utilities closed up. Volume was 330,000 under Friday's total.

Coppers slipped again. This group reacted to news that copper shares had closed lower in London following an early rally, and reports by domestic custom smelters of a considerable decline in consumer demand at the new 26-cents-a-pound price.

Motors dropped fractionally despite reports by dealers that August sales were up 2% over 1936 and predictions that September sales may top those of September 1936 by 10%.

Steels were generally easier with U. S. Steel off 1. Tobacco was fractionally higher following favorable cigar consumption figures. Chemicals were mostly easier, as were oils. Gulf Oil was an active and higher exception, and International Minerals & Chemicals was another, up around 1 following an improved earnings report. Aircrafts were easier. Ralls were quiet, with small declines the rule. Utilities were firm but quiet.

Weaker issues included Eastman Kodak, Alcoa, General Tire, Westinghouse Electric and Zenith.

On the American Stock Exchange, Ford of Canada A was off 4/8 at 84, McDonnell Aircraft was off a point while National Research and Firth Sterling were up fractions.

Heard on the Street—

Have Industries is understood to be looking for a small chemical company it might acquire that would fit into its overall program.

Washington Mutual Investors Fund, open-end investment company with July 31 assets of just over \$10 million, in the quarter ended that date made new commitments in Carrier, Atlas Powder, Climax Molybdenum, Revere Copper & Brass, Vanadium, Atlantic Refining, Richfield, Kimberly-Clark and Ohio Edison. At the same time it eliminated Boeing, North American Aviation, U. S. Gypsum, Motorola and Sinclair from its portfolio.

Negotiations are under way for Herbert J. Yates, president of Republic Pictures Corp., to sell his controlling stock in the company to a group headed by Joseph Harris, president of Essex Universal Corp. (over the counter), which owns Flamingo Films (privately controlled), a distributor of pictures for television. Sources close to both sides say that "if all goes well" the deal, involving more than 500,000 Republic shares owned by Mr. Yates and his immediate associates, may be closed by mid-week. . . . Managed Funds, Inc., managers of 11 different classes of fund shares, reports August sales of new shares were the second largest in its history, exceeded only by August, 1935. Similarly, Diversified Growth

MARKET DIARY		Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.	Sun.
Issues traded	1,128	1,137	1,163	1,154	1,147	1,119	1,118	1,118
Advances	308	309	325	348	351	323	323	323
Declines	563	567	561	552	552	552	552	552
Unchanged	255	261	277	256	239	239	239	239
New highs, 1937	4	7	3	1	3	3	3	3
New lows, 1937	43	31	48	169	146	165	165	165

DOW-JONES CLOSING AVERAGES

	1937	Change	1936	Change
Industrials	478.08	-2.94	481.02	-1.56
Railroads	131.71	-1.21	132.73	-0.58
Utilities	67.86	+0.38	68.13	+0.17

Stock Fund, reports it had a record gain in new shareholders last month, a period of sharp market decline. . . . "There's nothing at all to reports" that American Metal Products and Evans Products are considering a merger, according to Douglas F. Roby, president of American. A spokesman for Evans also denied the rumor. . . . Foremost Dairies has revised its estimates of 1937 sales upward to \$415 million from \$400 million calculated earlier this year. In 1936, the company had volume of \$382.4 million, on which \$1.38 a share was earned. Company officials believe net before taxes this year will rise about \$4 million to above \$22 million.

Market Views—

OPINION: Walter Gutman of Goodbody & Co. said: "It seems too late now to speculate on a test of the year's lows. If you haven't gotten out of some stocks yet, you had best keep them. However, we wouldn't buy for a rally until the tape is late. . . . Walter Maynard of Shearson, Hammill & Co.: "Institutional buyers have begun to show renewed interest in many areas of the stock market. The groups which seem to offer the best prospects at present include some of the oils, many chemicals, container manufacturers, utilities, certain building stocks, manufacturers of missiles and components, and banks. Careful selection of institutional-quality issues from these groups seem likely to work out well." . . . Arthur Wiesenberger & Co. said: "We think an approximate 25% over all decline to around or below 400 on the Dow-Jones industrial average epitomizes the risk in the market situation. Such a decline would fall far short of bear market proportions. Nevertheless, if some of the large institutional holders somewhere along the line should decide to sell regardless of immediate price effects we could see some rather weak markets with fairly substantial and sharp declines."

ANALYSIS: Merrill Lynch, Pierce, Fenner & Beane's Investor's Reader has reviewed Avco, American Cyanamid, Florida Power and Arvin Industries. . . . Eastman Dillon, Underhill & Co. has an analysis of P. Lorillard Co. . . . Dewey Portland Cement Co. is reviewed by Loewi & Co., Inc., Milwaukee. . . . Brimberg & Co. has briefs on leading drug stocks. . . . William R. White of Hornblower & Weeks, under the title Convertible Issues Gaining Popularity, has statistics on some leading issues.

R. J. Reynolds Says Sales, Profit Top '36

Third quarter sales and earnings of R. J. Reynolds Tobacco Co. are "considerably ahead" of last year's levels, E. A. Darr, president, told The Wall Street Journal. In the 1936 period the company earned \$1.58 a share on sales of \$248,603,000.

"There have been no discussions, so far, on increasing the dividend rate," Mr. Darr said. Reynolds "has always had a conservative policy on dividends" compared with the other major cigarette companies, he said. "We think that is beneficial to our shareholders." Reynolds has paid a quarterly dividend of 80 cents a share since June, 1936.

"We think we are in an expanding phase of our business," Mr. Darr said. He cited the population growth as a factor which is increasing the potential cigarette market. The Internal Revenue Service reported over the weekend that tax-paid consumption of cigarettes from January through July of this year was more than 5% ahead of last year's pace despite the revival of the cigarette-health controversy. "I

think everybody who could be scared has been scared," Mr. Darr commented. Reynolds' third quarter figures are reflecting the industry-wide price increase of 35 cents per thousand on regular and king size non-filtered cigarettes, which went into effect late in June.

Capital expenditures this year will amount to about \$20 million, Mr. Darr stated, and Reynolds plans to spend another \$35 million for expansion over the next three years.

In view of money market conditions, Mr. Darr said Reynolds has no present plans for long-term financing. "Short-term borrowing is larger than in like periods of past years," he added. In addition to expansion, this reflects increased purchases of tobacco and higher leaf prices, he said.

Reynolds' Camel was rated the top selling cigarette brand last year, and its Winston led the filter-tip cigarettes in sales. The regular size smokes have been losing their share of the market to the filtered brands, but Mr. Darr said Camel sales were still ahead of Winston.

National Cash Register Sales, Earnings Up

Net sales of National Cash Register Co. for 1937 are expected to reach \$400 million, up from \$340,934,415 last year, according to S. C. Allyn, chairman. Earnings, he forecast, "ought to be more" than the \$18,419,936, equal to \$2.62 a share, registered in 1936. Increased labor and material costs, coupled with heavy capital expenditures, he noted, have kept the net so far in line with last year's figure, although sales have grown. "Incoming orders in August—both domestic and overseas—were the best we have ever had," Mr. Allyn announced, "and I don't see any let up in the office equipment business."

Overseas sales, he commented, are becoming a more important part of the company's business, accounting for some 38% of gross income. National Cash Register now has plants or offices in more than 100 countries, Mr. Allyn added, and next month will dedicate a new plant near Tokyo. In addition, the company is expanding its German plant and has another plant under construction in Brazil. Capital expenditures this year will top \$17 million, but won't be "quite as heavy next year," he said.

Research during 1937 will consume a record \$13 million, the chairman said, and "next year will be even higher." Last year, research and development outlays were \$8,382,684. Mr. Allyn revealed that later this month the company will unveil its Sales-Tronic machine, a point-of-sale recorder aimed at department store automation. The machine will punch sales information on paper tape which can be fed through computers to determine merchandise unit control.

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Rayonier 3rd Quarter Net Below Year Ago

Third quarter net of Rayonier, Inc., will fall to "somewhat below" 35 cents a share from 38 cents indicated to have been earned in the like 1936 period, Clyde B. Morgan, president, told this newspaper. "However," he said, "I intend to recommend continuance of the 35-cent quarterly dividend at the October meeting of directors." While Mr. Morgan says it is too early to give a precise estimate of third quarter results, close followers of the stock believe net will be around 28 cents a share. Partially as a result of a larger number of shares now outstanding, first half net dropped to 71 cents a share from \$1.52 in the first six months of 1936.

Reflecting softness in demand, particularly from the textile industry, it is understood that the company, a leading producer of chemical cellulose pulp used in making tire cord, cellophane and rayon fabrics, is currently operating at around 70% of capacity. A year ago operations were near capacity, Mr. Morgan said. Tonnage sales of chemical cellulose were 8% below a year ago for the first seven months of 1937.

Mr. Morgan said that seven-month production of paper-making pulps, a smaller but significant part of Rayonier's business, fell to about 80,000 tons, or about half of the year-ago total. He added: "A drastic decline in lumber prices of \$14.50 per 1,000 board feet

from the year-ago level has shrunk revenues for this part of our business by \$2 million this year." In addition, Mr. Morgan declared, Rayonier has suffered from the 5% Canadian exchange premium over U. S. money on sales in this country of output of its Alaska Pine & Cellulose division located in the Canadian province of British Columbia. He said: "Moreover, I estimate that non-recurring expense in connection with our big expansion program has added another \$500,000 to costs this year."

Mr. Morgan said that Rayonier has just about completed its major expansion program. A \$25 million addition to its Jeap, Ga., mill will go into operation shortly and, by November, will be producing chemical cellulose in commercial quantities. "Output of this mill for the rest of 1937 has been sold," said Mr. Morgan. The mill has a capacity of 100,000 tons a year.

"The net price move on chemical cellulose pulp will be upward," Mr. Morgan said, citing increased costs of freight and labor as among other expenses justifying a price hike. However, he said he could not predict when the next price increase will come due to the present softness of the market. Meantime, prices of bleached paper-making pulp have been raised \$5 a ton by Weyerhaeuser Timber Co. (over the counter) and Rayonier is expected to go along with this increase.

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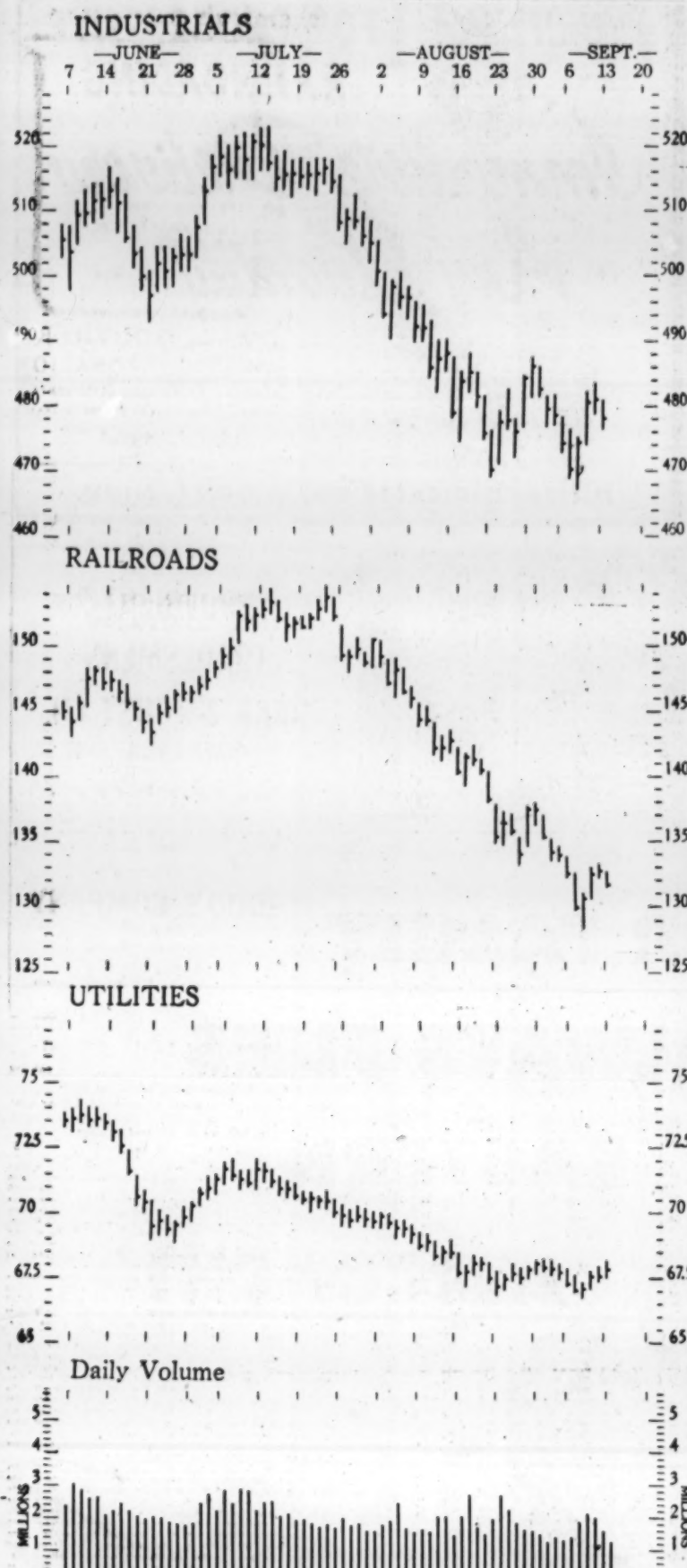
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Following are the Dow-Jones averages of industrials, railroads and utility stocks with the total sales of each group for the period indicated:

Date	Open	High	Low	Close	Change	%	High	Low	Shares Sold
Sept. 16	480.21	478.25	477.33	478.08	-2.94	-0.61	481.02	478.30	145,800
Sept. 15	481.32	481.00	481.32	481.02	+0.44	+0.09	483.54	478.70	170,100
Sept. 14	479.54	478.27	478.30	478.64	+0.10	+0.02	482.31	475.90	220,000
Sept. 13	480.44	480.44	480.85	480.79	+0.17	+0.04	479.39	487.10	279,500
Sept. 12	479.35	474.83	474.11	474.14	-4.05	-0.85	476.53	468.77	307,900
Sept. 11	482.54	482.55	481.96	481.89	-0.06	-0.01	482.74	481.29	38,400
Sept. 10	482.50	482.78	482.54	482.65	+0.23	+0.05	483.30	482.18	43,800
Sept. 9	481.51	481.42	481.09	481.29	-0.42	-0.09	483.65	482.40	62,400
Sept. 8	480.88	480.66	480.79	480.79	+0.11	+0.02	481.67	478.30	111,100
Sept. 7	480.05	480.43	480.00	480.38	+0.33	+0.07	482.61	480.68	82,800
Sept. 6	479.81	479.80	479.80	479.80	+0.38	+0.08	480.21	478.52	35,600
Sept. 5	479.47	479.55	479.73	479.74	+0.64	+0.13	478.80	477.27	28,900
Sept. 4	478.14	478.02	478.02	478.02	+0.47	+0.10	477.36	476.10	36,600
Sept. 3	477.67	477.67	477.67	477.67	+0.35	+0.07	476.34	475.20	21,500
Sept. 2	477.32	477.32	477.32	477.32	+0.79	+0.16	476.53	475.74	20,800
Sept. 1	476.53	476.53	476.53	476.53	+0.79	+0.16	476.53	475.74	20,800
Sept. 30	476.53	476.53	476.53	476.53	+0.79	+0.16	476.53	475.74	20,800

Averages are computed by dividing prices by the following: Industrials 4.35; Railroads 4.00; Utilities 0.32; 65 stocks 30.55.

NEW 1937 Highs and Lows On N. Y. Stock Exchange

	Monday	Tuesday	Wednesday	Thursday	Friday
Industrials	480.21	481.32	481.02	481.02	478.08
Railroads	150.00	150.00	150.00	150.00	131.71
Utilities	75.00	75.00	75.00	75.00	67.86

Brazilian Rail Carrier Says It Will Buy 100 GM Diesels
NEW YORK—General Motors Corp. overseas operations division has received a letter of intent from the National Department of Railways of Brazil for the purchase of 100 diesel-electric locomotives, costing around \$16 million.

The major part of the financing for the equipment is being arranged through the Export-Import Bank. General Motors has been requested to participate in the financing, but the terms are still being discussed.

It is also reported that Alco Products, Inc., is negotiating with the Brazilian rail carrier for sale of 85 diesel locomotives, but the company declined to comment on the report.

Odd-Lot Trading
NEW YORK—Cartelle & Jacquelin and De Capot & Doremus reported handling the following odd-lot transactions on the New York Stock Exchange September 15: Customer Short Other Total Purchases Sales Sales Sales Number of shares 22,735 1,884 147,590 149,354

WASHINGTON—Weekly odd-lot trading statistics, as reported by the Securities and Exchange Commission, compare as follows: —Customers Orders to Buy— Value: Aug. 26, 1,364,558; Aug. 27, 1,390,128; Aug. 28, 1,390,128; Aug. 29, 1,390,128; Aug. 30, 1,390,128; Aug. 31, 1,390,128. —Customers Orders to Sell— Value: Aug. 26, 1,364,558; Aug. 27, 1,390,128; Aug. 28, 1,390,128; Aug. 29, 1,390,128; Aug. 30, 1,390,128; Aug. 31, 1,390,128. —Dealer Round Lot Transactions (Shares)— Value: Aug. 26, 1,364,558; Aug. 27, 1,390,128; Aug. 28, 1,390,128; Aug. 29, 1,390,128; Aug. 30, 1,390,128; Aug. 31, 1,390,128. For the week ended August 30, short term sales by customers were 20,504.

Brunswick-Balke Forms Unit
CHICAGO—Brunswick-Balke-Collider Co. has formed a new wholly-owned subsidiary in Caracas, Venezuela, B. E. Bensinger, announced.

The new firm, known as Brunswick International, will be headed by Mr. Bensinger as chairman and Bryan H. Doble, president. Mr. Doble formerly, was general manager of the international division of H. D. Hudson Manufacturing Co.

Brunswick, which manufactures bowling and billiard supplies and school equipment, presently has subsidiaries in Brazil, Canada and Mexico.

Commenting upon the expansion Mr. Bensinger said "the prospects of manufacturing and marketing our products abroad are excellent, coinciding with the surge of industrial development throughout the free world."

World Bank and Monetary Fund to Weigh Major Currency and Trade Problems at Talks Next Week

French Inflation, European Exchange Rates Are Among Issues That May Be Aired

By JOHN R. GIBSON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The most pressing currency and trade problems of the free world will be aired here next Monday at one of the potentially most important fiscal meetings since World War II.

Economists look for some action on—but much more high-powered international discussion of—European currency, exchange rates, France's war against inflation, the future of the International Monetary Fund and similar weighty matters. For this reason the eyes of governments and currency speculators, alike, will be focused here.

They'll be watching the annual meeting of the boards of governors of the 45-nation International Monetary Fund and World Bank. These 11-year-old sister agencies invariably are the center for high-level discussions among the most important economic men this side of the Iron Curtain.

The fund, which helps stabilize currencies of member countries and plugs for lower world trade barriers, is the center of the most intricate economic talk. The bank discusses economic development matters revolving around its lending activities.

What's Expected

Here's what leading economists here see on the horizon for next week's meetings:

France may ask the fund for an additional \$282.5 million loan to help stabilize the franc, which new Finance Minister Felix Gaillard partially devalued recently.

This request, in turn, would force members of the fund to make a far-reaching policy decision on how easy they want to make it for countries to borrow from the agency. This decision could be vital to the life of the fund, some officials believe.

There will be considerable corridor discussion, at least, of exchange rates of European currencies—particularly the strong German mark and the weak British pound and French franc. Economists doubt if these countries will propose a change in their rates—which the fund must approve—but the discussions could provide vital indications of thinking. Finland's devaluation of its currency Sunday night has heightened interest in these discussions.

There also will be considerable discussion of the inflation that is at the root of the trade and currency problems of France and some other countries. Inflation boosts domestic demand for imports, while pushing up export prices and hence curbing export earnings; this encourages an excess of imports over exports and a resulting depletion of a nation's gold and foreign currency reserves.

Major world trading nations, and some minor ones, are planning a talking campaign aimed at preventing trade barriers from rising. Latin American and Asian nations are expected to call for more lending to their areas

by the World Bank, even though these regions now get the bulk of the bank loans.

India, in particular, will seek help for her development program. She will train her sights most intently on the U. S. She hopes the U. S. will put up possibly as much as \$600 million to bridge the gap between the amount of foreign exchange India owns and the foreign exchange cost of her ambitious second five-year development plan.

Price of Gold

South Africa will push her perennial proposal that the price of gold be boosted above its present \$35 an ounce price. Other smaller nations will complain about the interest rates the World Bank charges on its loans.

And, finally, there's a chance that for the first time since the Iron Curtain clanked down across Europe, a Communist nation—Poland—may make overtures for membership in the bank and fund.

Whatever comes up, there will be plenty of big names on hand: U. S. Treasury Secretary Robert Anderson, Federal Reserve Board Chairman William McChesney Martin, Jr.; Britain's Chancellor of the Exchequer Peter Thorneycroft; Hisato Ichimada, Japan's finance minister; and probably France's M. Gaillard along with that country's stormy ex-Premier Pierre Mendes-France.

A conspicuous absentee, however, likely will be German economic chief Ludwig Erhard, a leading apostle of hard currency; he's been tied up by his country's election campaign.

"This could well be the most important meeting of the bank and fund since Bretton Woods," says a high American policymaker, referring to the 44-nation conference in New Hampshire's White Mountains that organized the bank and fund in 1944. "The pressure of world events mean we'll almost certainly have to make important decisions."

Not all the authorities agree with this appraisal, of course. And, indeed, the formal action of the fund-bank meeting may be limited to voting on where to meet next year (possibly, New Delhi, India). But if the big issues do materialize, the decisions could also be big.

Exchange Rates

If Germany or Britain, for instance, ask the fund to okay changes in their exchange rates, the result could well be a realignment of many world currencies. The decision would also have a great effect on international trade and currency movements.

In recent months booming Germany has been increasing export sales and foreign exchange holdings. At the same time, Britain, France and some other European countries have been running export deficits, selling less abroad than they buy.

As a result, rumors and proposals have been racing through Europe and across the Atlantic recently to the effect that Germany is about to raise the value of the mark or that Britain will devalue the pound. Accompanying the rumors, speculators have been selling sterling, Dutch guilders, francs and other "weak" currencies to buy German marks. This, in turn, puts pressure on the "weak" currency nations to buy their own currency with foreign exchange or gold to maintain their exchange rates, a process that eventually causes a country to run out of foreign exchange unless it takes other steps. The Netherlands, for instance, moved to meet such a problem last Thursday when it got \$137.5 million of credits from the fund.

At the same time, speculators selling their pounds and guilders are buying marks, which they think Germany will make more valuable soon by raising the value of that currency. Many believe such action will come at next week's meeting, following Germany's parliamentary elections.

Stout Denials

Germany, however, maintains it isn't going to take such action. And Britain stoutly denies any thought of devaluing.

The French request for cash could pose a basic question about the role and life of the fund, many authorities believe. To understand why, look at how the fund works:

Member countries put up a certain quota of cash when they're voted in. They pay one-fourth of this in gold and the rest is paid or held on deposit for the fund in other currencies. When a country has monetary problems, it can come to the fund and ask to be allowed to "buy" dollars or some other currency with its own currency as a means of getting foreign exchange. The fund's board of directors must pass on the request.

As a rule, the fund lets a country take out cash equal to half its quota without many questions. But, as precedent now stands, a world-wide crisis must be impending before it will let a country "buy" more than this first half.

Britain won fund approval for such a borrowing during the Suez crisis when it "bought" and received a stand-by credit totaling \$1.3 billion. This action was designed to support the pound at its present level while under heavy fire from speculators. These speculators, in effect, were selling sterling to the British government for other currencies, particularly dollars; the British government steps in and buys pounds when necessary to maintain the value of its currency in the face of heavy selling of pounds. Economists feared Britain wouldn't have enough gold and dollar reserves to meet this onslaught and would be forced to devalue the pound. Authorities now are explaining they approved this unusual lending to Britain because sterling is an international currency whose devaluation would have wide ramifications in many countries besides Britain.

France has already received and used a \$282.5 million standby credit equal to half its "quota." Now reports from Paris indicate she may seek another \$282.5 million.

U. S. officials, who indicate they will prob-

ably oppose any such additional French borrowing, fear this action could cause a run on the fund. The franc isn't an international currency as is the pound, they contend. Therefore, they maintain, approval of a "full-quota" borrowing by France would mean that in the fund's "you-scratch-my-back-and-I'll-scratch-yours" operation, other countries would feel entitled to similar drawings.

In the present inflationary crisis for some currencies, such a precedent could practically break the fund, according to many authorities in the U. S. and Britain.

There would also be trouble for the U. S. Treasury, which buys the fund's gold in return for dollars. Such action could drain dollars out of the U. S. economy just when money is "tight" here.

The basic reason for these problems is inflation in many major nations, top economists here say. They recall a recent Federal Reserve Board study reported interest rates were up throughout Europe and other parts of the world. They report that, in addition to France, inflation is causing considerable concern about the stability of Denmark and Finland.

Finland pointed up the pressure of general world-wide inflation Sunday when she devalued the Finnish mark by 40% to a rate of 320 to the U. S. dollar. She took the step, economists here pointed out, to combat inflation which made the mark's old value of 231 to the U. S. dollar unrealistic. Analysts here blamed Finland's troubles on heavy government spending and expanding bank credit for industrial development. The I.M.F. had to approve the action.

The bank and fund can't lay down the law, telling countries what to do about inflation. But leading authorities here expect there to be a great deal of theory exchanged on how best to meet the problems of inflation. An international economist here poses the problem: "It's essential that in fighting inflation you don't start a depression."

Boot Workers Union Says Shoe Industry Should Boost Prices

Stand Contrasts With UAW, Steelworkers Positions; Profit Squeeze Cited

BOSTON—The shoe industry should and must raise its prices, the 30,000-member A.F.L.-C.I.O. Boot and Shoe Workers Union declared, following an industry survey which shows that over the past 10 years, 1947-56, average factory shoe prices declined by 3%, compared with an average wholesale price rise of 42% for all commodities.

The Boot and Shoe Workers stand in contrast with positions taken recently by the A.F.L.-C.I.O. United Auto Workers and the A.F.L.-C.I.O. United Steelworkers. The Steelworkers criticized the price boosts put into effect by the steel industry in July, and the U.A.W. President Walter Reuther has proposed to major auto makers that they trim prices on 1958 models by \$100 a car.

While the shoe industry deserves much credit for holding the price line in a decade of inflation, the union said, it has carried this effort to such an unrealistic extreme that today its profit structure is suffering from self-strangulation due to down-pricing.

If industry know-how can reduce shoe prices through technical efficiencies, the union said, this should be done and competition will see that it is done. But after efficiency has been raised to the highest level and prices reduced to the lowest level, then, said the union, the public, industry and the national economy are best served by placing emphasis on quality values sold for a fair profit.

The union declared that a large share of the shoe industry, both at the factory and retail levels, lacks courage to face the reality of the need to raise its prices to provide the profit required to function soundly.

John J. Mara, union president, said an industry that attempts to function with de-

pressed prices and profits, with resultant losses and failures, is a drag on the national economy and the public good. "The naive belief that we can have a genuinely prosper-

ous economy without industry and business earning a rightful profit based on realistic prices, becomes a childish game of pin-the-tail on the donkey," said Mr. Mara.

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GE Reduces Prices

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By a WALL STREET JOURNAL Staff Reporter

NEW YORK—General Electric Co. reduced its prices on gas and oil furnaces by as much as 27%.

R. K. Miller, general manager for the GE Home Heating and Cooling Department at Tyler, Texas, credited improved plant and production facilities, as well as more efficient marketing procedures, as the major factors in cost reductions that made the price cuts possible. Mr. Miller said there has been no decrease in quality in the new furnaces.